



DIRECTORATE OF  
VOCATIONAL EDUCATION AND TRAINING  
National Institute for Vocational Education and Training

# VIET NAM VOCATIONAL EDUCATION AND TRAINING REPORT 2016



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# **VIET NAM VOCATIONAL EDUCATION AND TRAINING REPORT 2016**

**Hanoi, 2018**



## FOREWORD

Cooperation with the business sector in vocational education and training (VET) plays an important role in the improvement of the training quality. A successful linkage between TVET institutes and enterprises will bring benefits to the TVET institutes, the enterprises, the Government and the community.

Being aware of the importance of improvement of the training quality and the linkage between vocational training and the business sector, the Communist Party and the Government of Viet Nam have adopted many policies for promoting the involvement of the business sector in vocational education and training. The Resolution of the 11<sup>th</sup> National Congress of the Communist Party of Viet Nam (in 2011) indicates the Party's intention: "... to promote demand-driven vocational training; and to develop policies for establishing a close linkage between the business sector and TVET institutes". The Resolution of the 12<sup>th</sup> National Party Congress (in 2016) emphasises: "... to pilot a transformation from public schools to training institutes which are invested and operated by the community and enterprises; to promote vocational training and establish a linkage between vocational training and the business sector; ... Strengthen the state management of human resources and improve the interconnection between supply and demand of human resources".

With Resolution No. 76/NQ-CP dated 3/9/2016 and adopted at the Government's regular meeting in August 2016, the Government assigned MoLISA to be the sole state management agency for vocational education and training. Since August 2016, the TVET system is accordingly managed by one ministry (MoLISA) instead of two ministries (MoLISA and MoET). In fact, the year 2016 marks the beginning of a new phase in the reform process of the vocational education and training system in Viet Nam.

As assigned by the Directorate of Vocational Education and Training (DVET), the National Institute for Vocational Education and Training (NIVET) has conducted the Viet Nam Vocational Education and Training Report 2016. It provides information on vocational education and training, especially the cooperation between TVET institutes and enterprises for policy makers, managers, researchers, TVET institute officers, enterprise managers, students, and workers as well as officers of international organisations who are interested in the VET field in Viet Nam.

The Viet Nam Vocational Education and Training Report 2016 reflects multi-dimensional issues of vocational education and training, with a focus on the cooperation between TVET institutes and the business sector in VET activities. Besides the foreword and key findings, the report consists of the following nine chapters:

1. *Overview of vocational and education training policies*
2. *Vocational education and training for the labour market*
3. *Network of TVET institutes*
4. *TVET admissions and graduations*
5. *TVET teachers and management staff*
6. *National occupational skills standards, assessment and certification of national occupational skills*

7. *Accreditation and quality assurance*
8. *Financing vocational education and training*
9. *Cooperation with enterprises in vocational education and training*

Due to time and resource constraints, the Viet Nam Vocational Education and Training Report 2016 was conducted based on the analysis of data provided by the authorities, namely the General Statistics Office of Viet Nam (GSO), MoLISA, DVET and MoET. It also includes data obtained from researches and surveys conducted by NIVET, the Vietnam Chamber of Commerce and Industry (VCCI) and the Vietnamese-German “Programme Reform of TVET in Viet Nam”, implemented in cooperation with DVET by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

The Viet Nam Vocational Education and Training Report 2016 was developed within the framework of the trilateral cooperation agreement between NIVET, the Federal Institute for Vocational Education and Training (BIBB) of Germany and GIZ in Programme Reform of TVET in Viet Nam. Experts and technical staff from these organisations contributed greatly to the report in terms of ideas, technical advice on the contents and layout. Aside from that, representatives of different departments and units of DVET, experts from VCCI, Vietnam National Institute of Education Science, Hanoi University of Education and VAVET & SOW participated in the development process of the report. A number of workshops, scientific discussions and coaching sessions were held to support this report during the development phase.

As in the previous reports, remarks and assessments made are scientific and objective. They do not necessarily reflect the official viewpoints of the state management agencies.

This report will also be published on the website of NIVET ([www.nivet.org.vn](http://www.nivet.org.vn)), on the website of the Vietnamese-German Programme Reform of TVET in Viet Nam ([www.tvet-vietnam.org](http://www.tvet-vietnam.org)) and on the website of the Federal Institute for Vocational Education and Training (BIBB) ([www.bibb.de](http://www.bibb.de)). NIVET has the copyright of the report.

It is certain that there are inevitable shortcomings in the Viet Nam Vocational Education and Training Report 2016 due to limited capacities and resources. The Editor’s Board hopes to receive readers’ feedbacks and comments. Please send your feedback to the National Institute for Vocational Education and Training at *Floor 14, Headquarter Office of MoLISA, No. 3, Alley No. 7, Ton That Thuyet Street, Cau Giay District, Hanoi*, email: [vien.khgdnn@molisa.gov.vn](mailto:vien.khgdnn@molisa.gov.vn) or give your feedback in the Online Survey in the website of NIVET ([www.nivet.org.vn](http://www.nivet.org.vn)).

**The Editors’ Board**

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After the success of the Viet Nam Vocational Training Report 2015 and upon request of the leaders of DVET, NIVET has conducted the Viet Nam Vocational Education and Training Report 2016.

The report was conducted by a group of authors, including: Dr Vu Xuan Hung (Editor-in-chief and author of the Main Findings, Conclusions and Recommendations), Nguyen Quyet Tien (MA) (author of Chapter 1), Phung Le Khanh (MA) (author of Chapter 2), Dr Nguyen Duc Ho (author of Chapter 3), Nguyen Quang Hung (MA) (author of Chapter 4), Bui Thanh Nhan (MA) (author of Chapter 5) Dang Thi Huyen (MA) (author of Chapter 6), Le Thi Thao (MA) (author of Chapter 7), Hoang Thi Thu Ha (MA) (author of Chapter 8), Le Thi Hong Lien (MA) (author of Chapter 9), Nguyen Xuan Hien (MA), Dao Viet Chau (BA) (secretary), Dr Nguyen Quang Viet, Pham Xuan Thu (MA) and other collaborators at NIVET.

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We would like to convey our gratitude to all those who contributed to the development of this report. Your remarks and comments have enabled us to successfully accomplish this report.

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Sincerely,

**DIRECTOR OF NIVET**

A handwritten signature in blue ink, appearing to read 'Vu Xuan Hung', is written above a solid blue horizontal line.

**Dr Vu Xuan Hung**



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## LIST OF ABBREVIATIONS

<b>ADB</b>	Asian Development Bank
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>BIBB</b>	Federal Institute for Vocational Education and Training
<b>DoLISA</b>	Department of Labour and Social Affairs
<b>DVET</b>	Directorate of Vocational Education and Training
<b>FDI</b>	Foreign Direct Investment
<b>GDVT</b>	General Directorate of Vocational Training
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
<b>GSO</b>	General Statistic Office
<b>IT</b>	Information Technology
<b>ILO</b>	International Labour Organisation
<b>JAVADA</b>	Japan Vocational Ability Development Association
<b>JICA</b>	Japan International Cooperation Agency
<b>MoET</b>	Ministry of Education and Training
<b>MoF</b>	Ministry of Finance
<b>MoLISA</b>	Ministry of Labour-Invalids and Social Affairs
<b>NIVT</b>	National Institute for Vocational Training
<b>NIVET</b>	National Institute for Vocational Education and Training
<b>NOS</b>	National Occupational Skills
<b>NOSS</b>	National Occupational Skills Standards
<b>ODA</b>	Official Development Assistance
<b>TVET</b>	Technical and Vocational Education and Training
<b>VAVET &amp; SOW</b>	Vietnam Association of Vocational Education and Training and Social Work
<b>VCCI</b>	Viet Nam Chamber of Commerce and Industry
<b>VET</b>	Vocational education and training
<b>VET Law</b>	Law on Vocational Education and Training
<b>VET centre</b>	Vocational education and training centre
<b>VET school</b>	Vocational secondary school
<b>VVTAA</b>	Vietnam Vocational Training Accreditation Agency
<b>VTC</b>	Vocational training centre

## KEY FINDINGS

The Viet Nam Vocational Education and Training Report 2016 was developed in the context of many changes in the TVET system. Focusing on cooperation with the business sector in vocational education and training, the report reflects the following key findings:

### **1. Numerous guiding documents on the implementation of the VET Law were issued; yet, the implementation process of policies on cooperation with the business sector still encounters many difficulties.**

The VET Law is fundamental for innovative policies related to TVET institutes, TVET teachers and trainees and the business sector. However, it was not until August 2016 when MoLISA was appointed as the sole management agency for VET that guiding documents on the Law were issued. This explains the delay in the application of several innovative policies on the VET reform defined in the VET Law.

The Government has adopted several tax incentive policies for enterprises engaged in vocational education and training. However, the implementation of these policies still encounters difficulties for many reasons. For example: many enterprises are not aware of the tax incentive policies, especially which for enterprises engaged in VET activities; enterprises, institutions and individuals are not involved actively enough in VET activities; many obstacles are encountered in the process of socialisation in VET activities.

In 2016, prior to the decision on unifying the TVET system, there were two state management agencies in charge of vocational education and training which made it complicated to issue guidelines for the implementation of the VET Law. As result, only three guiding documents on the VET Law were issued (one decree and two circulars). Yet,

several other documents related to the field of vocational education and training were issued. Among them, the most important document was Resolution No. 76/NQ-CP dated 3/9/2016 and adopted by the Government at the regular Government meeting in August 2016. According to this Resolution, the Government assigned MoLISA to be the sole state management agency for vocational education and training. MoET was assigned to be the state management agency for pedagogical institutes. This Resolution has created a favourable condition for the implementation of the VET Law. It serves as a basis for the development of further guiding documents in 2017 and 2018 for the implementation of the VET Law, particularly policies on cooperation with enterprises in VET activities.

### **2. The labour market had a strong effect on the TVET system.**

As of Quarter 4 of 2016, the labour force aged 15 and above was 54.56 million people which meant a decrease by 0.06% compared with Quarter 4 of 2015 (54.59 million people). Vietnam has aging population, with the population between the age 15-29 accounting for only 29.76% of the total population aged 15 and above. This partly explains why admissions to TVET institutes had a tendency to decrease in recent years.

Though there was a general increase in the percentage of labour force with technical professional qualifications, including workers with vocational training qualifications (in Quarter 1 of 2014: 18.38%, in 2015: 20.06%; in 2016: 20.76%), the labour force with technical professional qualifications was still low compared to the demand of the labour market and the economic development. Besides, the labour force with technical professional qualifications in rural areas was considerably lower than in urban areas.

The unemployment rate increased compared with 2015 (in Quarter 4, 2015: 2.18%, in Quarter 4, 2016: 2.31%), in which the unemployment rate of urban dwellers was higher than that of rural dwellers. There is a noticeable difference of unemployment rate in different socio-economic regions. The Northern Midland and Mountainous Area and the Central Highland had the lowest unemployment rate while the North Central and Central Coastal Area and the Mekong River Delta had highest unemployment rate. Moreover, higher unemployment rate was observed among people with higher professional qualifications, especially people with college and university degrees. This shows that the qualifications structure of the labour force does not reflect the demand of the labour market, and the Government should take measures to adjust the norms of admission to university and impose a policy to stream graduates from general upper and lower secondary schools to vocational education and training. At the same time, it is important to improve the training quality instead of extending the scope of training at higher qualification level (i.e. college level).

The economic structure shows that the service sector is growing (the percentage of people working in the service sector grows from 31.4% in 2012 to 33.4% in 2016). The number of businesses occupied in tourism, hotel and restaurant industries is large. Therefore, more focus should be placed on training in occupations connected with these industries.

### **3. The network of TVET institutes was considerably expanded, which means a need for the network restructure to ensure efficient operations of TVET institutes.**

The number of TVET institutes, especially VET schools and colleges, has significantly increased. This increase was not due to the establishment of new TVET institutes but can be explained by the merger of two training systems in accordance with the new VET Law:

the vocational training system (under MoLISA) and professional training system (formerly under MoET). As a result, it is essential to have strong measures to restructure the network of TVET institutes, including the dissolution of inefficient TVET institutes and the merger of the TVET institutes located in the same area whose functions, duties and occupational training profiles are overlapped. This will ensure the efficiency and effectiveness of the network of TVET institutes.

The distribution of TVET institutes in different socio-economic regions is not reasonable, which leads to gaps in training provision in certain socio-economic regions. The Red River Delta had the largest number of colleges and VET schools while in the Northern Midland and Mountainous Area and the Central Highland, the number of VET centres was twice larger than the number of colleges and VET schools. This indicates that the investment and development of manufacturing industries, factories and companies concentrated in certain provinces, cities or regions has had a great influence on the development of the network of TVET institutes.

The number of non-public TVET institutes increased. Yet, non-public TVET institutes, particularly non-public colleges, still accounted for a low proportion in the total number of TVET institutes. Moreover, these institutes mainly offer training in occupations with low investments. Given this context, the Government needs to promote the socialisation of vocational education and training, diversify the ownership structure of TVET institutes and encourage the cooperation between TVET institutes and relevant individuals and enterprises domestically and overseas. This will help increase financial and human resources and improve the quality of vocational education and training.

The model of TVET institutes which are established under enterprise(s) to train the labour force of the enterprise(s), so-called under-enterprise TVET institutes, has been

existing for many years. However with many challenges, many under-enterprise TVET institutes had to downscale or change their superior management agency (for example, line ministry instead of enterprise).

**4. Admissions to TVET institutes increased in 2016 compared with 2015 but the number of admissions had not reached the planned target; TVET graduation and job placement achieved over 70%.**

In 2016, TVET institutes identified enrolment and admission as the first priority task that is vital for their development. Efforts have been made to implement active and practical measures to encourage young people to enrol in vocational training. Therefore, the admissions to vocational college, intermediate and elementary training and under-three-month training increased compared with 2015. However, admissions had not reached DVET's planned target.

Most admissions to under-enterprise TVET institutes were to elementary training and under-three-month training.

The job placement rate of TVET graduates, especially from colleges and VET schools was high (over 70%). Most graduates could find jobs suitable to their training. The occupations with high job placement rate were welding, industrial electricity, metal cutting, etc.

Apart from university graduates, graduates from vocational training earned higher salary than the average salary rate and much higher than un-skilled workers.

**5. The number of TVET teachers increased because of the unification of the TVET system, the qualification of the teachers was improved, yet teachers' occupational skills, computer skills and foreign language competencies were still limited.**

There was a slight decrease in the number of teachers in the TVET system over the previous

years. Yet, due to the merger of the vocational training and professional training systems, the total number of TVET teachers increased in 2016.

In under-enterprise TVET institutes, despite a high number of teachers with pedagogical certificates, the number of those with occupational skills certificate or certificate of skilled worker was considerably low; and the number of those who did not meet the required standards of computer skills and foreign languages was still very high. Weak computer and foreign language skills will limit the teachers' ability to access to new knowledge and apply technology in the training they provide.

The data collected from the teachers and management staff of TVET institutes in 2016 were not sufficient nor updated in 2016. Therefore, a good statistic monitoring system is important for the management of TVET teachers and management staff.

**6. There was still a limitation in the development of National Occupational Skill Standards (NOSS) and examinations and assessments of national occupational skills (NOS).**

In 2016, due to financial shortage, no further NOSS was developed or modified in accordance with the new format regulated in Circular 56/2015/TT-BLDTBXH dated 24/2/2015.

NOSS are being developed and implemented for eight years; however, a survey conducted by NIVET during the development of VET report 2016 shows that not every enterprise knew about NOSS. Therefore, it is necessary to have communications campaigns and compulsory regulations so that enterprises know about NOSS and recognise their responsibilities in recruiting workers with NOS certificates.

NOS test banks have been developed since 2009 but in 2016, this activity was on hold due to the review and revision of guidelines and financial shortage.

In 2016, no new NOS assessment centres were established. The number of NOS assessment centres dropped compared with 2015 because some NOS assessment centres had their licences expired and not renewed.

It was reported that all licensed NOS assessment centres invited accreditors from enterprises to join the NOS assessment, which proves a close cooperation between NOS assessment centres and the business sector.

In 2016, NOS assessment was conducted for seven occupations. The number of workers who took NOS exams was still limited. Moreover, the pass rate of the exam takers was low, which shows certain weakness of the workers' occupational skills. Furthermore, employees were not keen to take NOS examination because NOS certificate was not required for the workforce in all occupations.

### **7. VET quality accreditation was inactive due to a lack of legal guidance for implementation.**

In 2016 DVET did not conduct quality accreditation of TVET institutes. TVET institutes conducted self-accreditation. However, the number of TVET institutes that conducted self-accreditation was low, and most of them did not submit their accreditation report to the management authorities though self-accreditation is mandatory.

It is important to build capacity for internal accreditors of TVET institutes by organising further training and certifying qualified internal accreditors. Nonetheless, training for accreditors was challenging in 2016 since new regulations on VET quality accreditation had not been promulgated.

### **8. Though financing VET has become a matter of concern, financial resources allocated to TVET institutes remain limited in practice.**

Comparison of the financial sources allocated to vocational training for the period 2011-2016 shows almost no variation in the proportion of different financial sources in the annual VET financing structure. However, the budget allocated for recurrent expenditures on vocational training in 2016 increased compared with the previous years.

The coefficients of budget allocations to recurrent expenditures in education applied for the disadvantaged areas, especially mountainous areas and island areas for the period 2016-2020 have been adjusted to be higher than those applied for the period 2011-2015 and 2006-2010. These adjustments aimed to support the vulnerable groups of poor people, people from rural areas and ethnic minority groups.

The state budget for basic construction investments for technical infrastructure of TVET institutes increased compared with the previous year. However, funding for national target programmes in 2016 decreased compared with 2015 and previous years because the Project for Vocational Training for Rural Workers and Project "Reform and Improvement of the Vocational Training Quality" had terminated.

There was a considerable increase in non-state financial resources for vocational education and training, including tuition fees, contributions from enterprises and TVET institutes' incomes from scientific researches, production, services, etc.

In recent years, TVET institutes' income from public services increased but it accounted for a very low proportion in the total financial resources. For example: income from services by TVET institutes to the public accounted for only 1.08% of the financial

resources for vocational training in the period 2011-2016.

Investments from domestic individuals increased, which indicated that policies on socialisation and mobilisation of financial resources from organisations and individuals had come into practice.

ODA funding from foreign countries and international organisations and direct support from international organisations or individuals given to some TVET institutes increased.

**9. Cooperation with the business sector in vocational education and training was challenging for various reasons, however several pilot models of cooperative training have achieved certain successes.**

Cooperation with businesses in VET activities has not yet become a strong and sustainable approach. Internship offering in enterprises was the most common form of cooperation. The participation of enterprises in the development of occupational standards and curriculum development was still limited.

According to a survey conducted by NIVET and VCCI, the main reason why enterprises had not established cooperation with TVET institutes was because they either had no training needs, no specifically appointed staff to work with TVET institutes or did not know how to establish contacts with TVET institutes. Similarly, TVET institutes did not cooperate with enterprises because they did not have contacts, did not know how to establish contacts with enterprises or they did not have a special staff in charge of cooperation with the business sector.

Despite the challenges, new models of cooperation with the business sector have been developed. For example: the model of Quality Advisory Board (Coordination Board) at a TVET institute which includes representatives from the Government, the TVET institute and the business sector (including enterprises, VCCI and business associations) and the models of cooperative training which are being piloted by the Vietnamese-German “Programme Reform of TVET in Viet Nam” at Vocational College LILAMA 2 and Ho Chi Minh Vocational College of Technology (currently called College of Technology II).

## CHAPTER 1.

# OVERVIEW OF THE VOCATIONAL EDUCATION AND TRAINING POLICIES

*The Law on Vocational Education and Training (VET Law) promulgated several new provisions which were not specified in the Law on Vocational Training No. 76/2006/QH11 passed in 2006. These new provisions aim at solving many issues in the VET practice and brought new important aspects to the TVET system in Viet Nam to meet the demand of the domestic labour market in the regional and international integration process. These new aspects include regulations on the rights and responsibilities of businesses in vocational education and training and policies for encouragement of socialisation (participation of enterprises, social organisations and socio-professional organisations) in the field of vocational education and training. This chapter addresses new policies on cooperation with the business sector in vocational education and training and summarises the main contents of the guiding documents issued in 2016 on the VET Law implementation. At the same time, the chapter highlights other policies related to vocational education and training issued during 2016.*

### 1.1. New aspects in the VET Law

#### 1.1.1. The VET Law - provisions for the participation of enterprises in VET activities

One of the new aspects in the VET Law is a more detailed definition of the rights and responsibilities of enterprises in the field of vocational education and training (see Box 1.1). According to this definition, enterprises have the primary responsibility for training their human resources, cooperating with TVET institutes in VET activities, placing training orders as well as participating directly in VET activities (including curriculum development, training delivery and assessment of students' learning outcomes). Enterprises have the responsibilities to provide TVET institutes with information on their employment needs and give feedback on the training "product" in order to help TVET institutes adjust their training process according to the needs of enterprises. Enterprises can cooperate with TVET institutes in delivering training of elementary, intermediate and college levels or delivering continuing training programmes.

The VET Law defines that expenses related to vocational training activities conducted by enterprises are deducted from taxable income under the provisions of the tax laws. With this regulation, for the first time, a preferential corporate income tax policy is regulated in the VET Law. As tax exemptions influence the state budget income, this policy reflects the strong commitment of the Government to promote the engagement of the business sector in VET activities.

The VET Law also facilitates the involvement of enterprises in VET activities. Clause 2, Article 34 of the Law defines that the head of a TVET institute has the autonomy and responsibility in designing and approving training programmes of different qualification levels. This clause serves as the legal background for TVET institutes to be independent in their cooperation with enterprises to develop practice-oriented training programmes. Cooperation with enterprises in VET activities has been regulated as a task of TVET institutes and their heads.

In the implementation of the VET Law, the Government issued Decree No. 48/2015/NĐ-CP dated 15/5/2015 specifying some articles of the Law. Article 30 and Article 31 of the Decree detail the delivery of elementary, intermediate and college training and continuing training programmes in enterprises. These articles also

specify trainees, training programmes, in-company trainers, agreement on salary payment and training certification for employees who attend training courses. Moreover, enterprise's participation in the school council or board of directors of a college or a VET school is also defined.

### **Box 1.1: The rights and responsibilities of enterprises in vocational education and training according to the VET Law**

#### **Article 51: Rights of enterprises in vocational education and training**

- 1- Establish TVET institutes to train direct workers for production, sales and service in the enterprises and society.
- 2- Be allowed to register for delivery of vocational education and training to provide vocational training of elementary level prescribed at Points a, b, c and d, Clause 1 Article 40 of this Law for employees working in enterprises and other workers; receive State funding for training for people with disabilities who study and learn in the enterprises.
- 3- Be allowed to cooperate with TVET institutes to implement vocational education and training of primary, intermediate, diploma levels and continuing education vocational education and training programs.
- 4- Participate in syllabus and curriculum development, organisation of training; instructing practical training and assess learning outcomes of students in TVET institutes.
- 5- Expenses for vocational training activities of enterprises are deducted when determining the taxable income under the provisions of the tax laws.

#### **Article 52: Responsibilities of enterprises in vocational education and training**

- 1- Provide information on training needs, on deployment of employees by occupation and annual employment needs to the state agency in vocational education and training.
- 2- Provide training or place training order to TVET institutes to train workers recruited to work in the enterprises.
- 3- Fulfil responsibilities agreed upon in cooperative training with TVET institutes.
- 4- Participate in syllabus and curriculum development, organisation of training; instructing practical training and assess learning outcomes of students in TVET institutes; receive teachers and students to visit and do practical training and internship to improve vocational skills through contracts signed with TVET institutes.
- 5- Pay wages for learners and teachers who participate or work to produce products which meet technical specification requirements during training, practical training, internship in enterprises under the agreement by the parties.



- 6- Coordinate with TVET institutes to organise vocational education and training, fostering skills and retraining for workers of the enterprise workers.
- 7- Create conditions for employees to join in-service training to improve their professional skills under the provisions of the Labour Code.
- 8- Only employ trained workers or workers with occupational skills certificates for occupations listed in the portfolio of the MoLISA.
- 9- The Government regulates specifically about the rights and responsibilities of enterprises in the field of vocational education and training.

Nevertheless, cooperation between TVET institutes and enterprises is still limited. Enterprises are still not aware of the benefits when engaging in VET activities, and they are not really interested in cooperation with TVET institutes. Measures should be taken to promote the involvement of the business sector in VET activities and strengthen the cooperation between TVET institutes and the business sector in vocational training, in particular:

- A mechanism of close cooperation between TVET institutes and the business sector should be developed;
- The contents of the VET Law should be communicated to enterprises and employers;
- More detailed guiding documents should be developed to serve as a legal basis for the cooperation between TVET institutes and enterprises;
- Promotion of enterprise's engagement in vocational training should be supported by the state management agencies and business associations in a practical and effective way.
- It is necessary to develop a coordination action plan between DVET and VCCI to strengthen the cooperation between enterprises and TVET institutes.

### ***1.1.2. The VET Law and the policies for promoting socialisation in vocational education and training***

The VET Law provides for different types of TVET institutes, encourages enterprises, organisations and individuals to participate in vocational education and training and emphasises the role of the business sector. Article 7 of the Law defines that VCCI, business associations and socio-professional associations are responsible for participating in the development and appraisal of VET programmes, as well as supporting enterprises to exercise their rights and responsibilities in vocational education and training.

The VET Law defines that organisations and individuals that invest in TVET institutes are eligible for privileged policies of socialisation as regulated by the Government (Item 2, Article 7). Furthermore, preferential policies on land allocation, tax and credit privileges are applied for private and foreign-invested TVET institutes which operate on a non-profit basis.

Socialisation shall promote the country's development and regional and global integration. Particularly, the broad participation of the public, the society and especially the enterprises in the field of vocational education and training will help mobilise larger human and financial resources in this field.

However, at present, socialisation in vocational education and training is facing challenges in

term of developing the policy framework and ensuring a balance between the scope of VET development and its quality assurance. The following measures should be systematically implemented to promote the socialisation in the field of vocational education and training:

- Improve the institutional structures and procedures to promote the socialisation of public services in the field of vocational education and training;
- Finalise the strategies and plans for socialisation of public services in the field of vocational education and training;
- Develop a system of public service providers in the field of vocational education and training;
- Allocate state budget and mobilise non-state resources to boost the socialisation of public services in the field of vocational education and training;
- Promote international cooperation to mobilise additional resources for vocational education and training;
- Develop a market for public services in the field of vocational education and training;
- Strengthen the supervision, inspection and handling of violations against regulations on the socialisation of vocational education and training.

### **1.2. Preferential policies for enterprises engaged in vocational education and training**

Improving the quality of human resources is a responsibility of not only the Government but also the entire community and the business sector. In order to engage the business sector and the entire community in VET activities and to improve the quality of the human resources, the Government has promulgated preferential and incentive tax policies which are applied for enterprises and other social actors involved in vocational education and training.

#### **1.2.1. Corporate income tax incentives**

Several preferential policies for enterprises engaged in VET activities have been adopted by the Government. These policies are reflected in the Law on Corporate Income Tax of 2008, the Law on Amendments of the Law on Corporate Income Tax of 2013, the Law on Amendments of the Tax Laws of 2014 and other legal guiding documents. According to these laws and guiding documents, enterprises engaged in VET activities are eligible for following preferential policies:

- Tax exemption shall be applied to such income as enterprises' donations to vocational training; undivided income derived by under-enterprise TVET institutes which are used to invest in TVET institutes;
- A preferential corporate income tax rate of 10% shall be applied for enterprises operating in the VET field;
- Preferential duration of tax exemption and tax deduction:
  - Corporate income tax exemption for four years and tax deduction of 50% for the next nine years shall be applied for income by enterprises from new VET investment projects located in economically-deprived areas;
  - Corporate income tax exemption for four years and tax deduction of 50% for the next five years shall be applied for income by enterprises from new VET investment projects which are not located in economically-deprived areas.
- Corporate income tax deduction shall be applied for additional expenditures spent on training female workers (for enterprises working in the field of manufacturing industries, construction and transportation that employ between 10-100 female workers, where female workers account for more than 50% of the total number of full-time workers; or employ more than 100

full-time female workers where female workers account for over 30% of the total number of full-time workers in the enterprise);

- Tax deduction shall be applied for expenditures spent on vocational education and training for the ethnic minority people (for enterprises that employ ethnic minority people).

Item 5 Article 51 of the VET Law defines “Expenses for vocational training activities of enterprises are deducted when determining the taxable income under the provisions of the tax laws”. Moreover, the Law on Amendment of the Tax Laws of 2014 defines that expenditures spent by enterprises on VET activities shall be deducted from taxable income.

More details on corporate income tax deduction and exemption can be found in Decree No. 12/2015/NĐ-CP dated 12/02/2015 and Circular No. 96/2015/TT-BTC dated 22/6/2015. According to these legal documents, the following expenditures spent by enterprises on VET activities shall be deducted from taxable income:

- Expenditure for the purchase of infrastructure, machineries and equipment that are fixed assets for VET activities;
- Donations for scholarship for TVET students;
- Payments to TVET teachers, payments for training materials and equipment, practice material and other payments made to support the trainees.
- Expenditures made by enterprises for training their employees.

It should be noted that many corporate income tax incentives are granted to enterprises engaged in TVET activities. These tax incentives have been emphasised in the VET

Law and the Law on Amendment of the Tax Laws of 2014. However, recent surveys conducted by NIVET show that only a few enterprises knew about these tax incentive policies.

### **1.2.2. Other preferential policies**

Apart from corporate income tax incentives, enterprises are entitled to other tax incentives, including value added tax, export and import tax.

Enterprises engaged in teaching or vocational training shall not be subject to value added tax (VAT) (Item 13, Article 5, Law on Value Added Tax of 2016)<sup>1</sup>.

According to the Law on Export and Import Tax of 2016, import tax exemption shall be applied for special imported goods which cannot be produced domestically for immediate use of education (Item 20, Article 16 of the Law No. 107/2016/QH13 on Export and Import Tax).

It is important to note that in addition to the preferential tax policy regulated in the VET Law, many other tax incentive policies have been adopted by the Government for enterprises engaged in VET activities. However, there is a lack of guiding documents on the implementation of the new policies. Furthermore, many new policies are not strong enough to promote the engagement of businesses in VET activities. Moreover, as most of the enterprises are small and medium sized, they do not have sufficient resources to participate or invest in VET activities. Thus, establishing a linkage between TVET institutes and enterprises remain a big challenge.

Besides above preferential policies, enterprises engaged in VET activities also benefit from policies for promoting socialisation in vocational education and training. For instance, favourable conditions are applied for infrastructure construction rental, land allocation, land rental, free land allocation, free

<sup>1</sup> *The Law on Value Added Tax of 2016 has incorporated the amended laws on value added tax passed by the 13<sup>th</sup> Session of the National Assembly on 28/4/2016*

land rental, tax exemption for registration of land use rights, fee exemption for registration of land use and property use (refer to Decree No. 69/2008/NĐ-CP dated 30/5/2008 issued by the Government on incentive policies for promotion of socialisation in the field of education and vocational training, health, culture, sports, environment protection and Decree No. 59/2014/NĐ-CP dated 16/6/2014 issued by the Government on Amendment of the Decree No.69/2008/NĐ-CP). However, these policies are not appealing enough for enterprises to participate in VET activities.

### **1.3 Policies and laws on the development of vocational education and training**

#### **1.3.1. Legal documents on the implementation of the VET Law**

2016 was the second year of the implementation of the VET Law. However, the number of guiding documents on the implementation of the Law was limited due to the existence of two different state management agencies responsible for vocational education and training.

Decree No. 143/2016/ND-CP dated 14/12/2016 issued by the Government defines conditions for investments in the field of vocational education and training. The Decree defines the required conditions for the establishment of a TVET institute, a branch of a VET school and a college (Article 3, Decree No. 143). The Decree also provides transparent conditions for investments in the field of vocational education and training. It encourages the participation of all social actors in vocational education and training while ensuring a close linkage between VET development and socio-economic development. At the same time, the Decree serves as a legal basis for the dissolution of the TVET institutes that are incapable, inefficient or fail to train human resources to meet the needs of the socio-economic development.

Circular No. 46/2016/TT-BLDTBXH dated 28/12/2016 issued by MoLISA provides

regulations on a college charter. This Circular specifies: duties and responsibilities of a college; college organisation and management; organisation of training activities; college lecturers and management staff, employees and students; college's finance and assets; the relationship of a college with other businesses, families and society. The Circular also gives instructions for the compliance of a college charter.

Circular No. 47/2016/TT-BLDTBXH dated 28/12/2016 issued by MoLISA provides regulations on a VET school charter. The VET school charter shall follow the regulations defined in the VET Law and include specific provisions which are relevant to the management and training process of each specific type of VET school. This Circular specifies duties and responsibilities of a VET school; school organisation and management; organisation of training activities; teachers and management staff, employees and students; school's finance and assets; relationship of a VET school with other businesses, families and society. The Circular also gives instructions for the compliance of a VET school charter.

#### **1.3.2. Guiding documents related to vocational education and training**

In addition to the guiding documents on the implementation of the VET Law, in 2016, many legal documents were issued by the Government, MoLISA and relevant ministries regarding to the organisation and implementation of vocational education and training, in particular:

Resolution No. 76/NQ-CP dated 3/9/2016 was adopted at the Government regular meeting in August 2016 according to which MoLISA is assigned to be the state management agency for vocational education and training and MoET is assigned to be the state management agency for pedagogical institutes. This decision serves as a basis for the development and implementation of a unified demand-oriented VET development strategy throughout the

system which is aimed to implement the VET Law efficiently.

Resolution No. 73/NQ-CP dated 26/8/2016 adopted by the Government approves the investments in national target programmes for the period 2016 - 2020. According to this Resolution, the general framework of 21 national target programmes for the period 2016-2020 has been approved. MoLISA is assigned to lead the National Target Programme on Vocational Education and Training and Employment and Occupational Safety. The goal of the Programme is to support the development of vocational training; promote the labour market efficiency; improve the linkage between labour demand and supply, job promotion and decent work. The Programme includes: supports for the development of high-quality TVET institutes, specialised TVET institutes and TVET institutes which are connected to the sea economy; investments in focal occupations; skills improvement and foreign language training, job and vocational counselling.

Decree No. 37/2016/ND-CP dated 15/5/2016 issued by the Government specifies guidance on the implementation of the Law on Occupational Safety and Sanitary and Compulsory Insurance for Work Accidents and Occupational Diseases. According to this Decree, workers who change their job due to work accidents and occupational diseases shall be supported with vocational training allowance. With this policy, this Decree has an important meaning for workers' social security and contributes to the policy framework to support the workers who are affected by work accidents or occupational diseases. At the same time, the fact that the Decree assigns DoLISA the tasks of planning and organising training on occupational safety and sanitary shows the importance of integrating occupational safety issues in the vocational training programmes.

Decision No. 1981/QD-TTg dated 18/10/2016 issued by the Prime Minister approves the

framework of the national education system. This Decision serves as an orientation for the new national education system of Viet Nam. The Vietnamese education system will be accordingly streamed into two directions after the general secondary education: academic/science education and applied education. In addition, there is a change in the training duration for some qualification levels. However, this decision can only become effective when the respective laws, including the Law on Education, the Law on University Education and the VET Law are adjusted accordingly.

Decision No. 1982/QD-TTg dated 18/10/2016 issued by the Prime Minister approves the national qualifications framework of Viet Nam. The national qualifications framework consists of 8 levels: Elementary I, Elementary II, Elementary III, Intermediate, College, University, Master and Doctor. Learning outcomes and minimum academic input/load are defined for each level of qualification. Learners who have successfully completed the training and achieved the required learning outcome respectively for the first three levels of qualifications (levels 1, 2 and 3) shall be granted a respective "certificate". Learners who have successfully completed training required for qualification of level 4 shall be granted with an "intermediate degree". Learners who have successfully completed training required for the further four levels of qualification (levels 5, 6, 7 and 8) shall be granted with college degree, bachelor degree, master degree and doctor degree respectively. A credit shall be used as a unit of academic input/load. The national qualifications framework can be used as a basis for planning the system of TVET institutes, for defining learning outcomes of the training programmes for each qualification level of each occupation, for developing quality assurance policies and improving training quality. The national qualifications framework can be used as a reference to compare the national qualifications frameworks with which of other countries. It is also a reference for

regional and international mutual recognition of qualifications that will contribute to improving the quality and competitiveness of the human resources of Viet Nam. Moreover, the national qualifications framework can serve as a basis for establishing a system of permeability between different qualification levels and creating a foundation for a learning society and lifelong learning.

Circular No. 19/2016/TT-BLDTBXH dated 28/6/2016 issued by MoLISA provides guidelines for the implementation of Decree No. 31/2015/ND-CP dated 24/3/2015 issued by the Government on guidance for the implementation of national occupational skills assessment and certification specified in the Law on Employment. NOS assessment and examination is important for VET quality assurance. An NOS certificate can be considered as a recognition of TVET teacher's standards and learner's prior occupational skills. At the same time, NOS assessment results will help the workers find out the skills gap that they need to improve in order to meet the demand of the labour market.

Circular No. 10/2016/TT-BLDTBXH dated 16/6/2016 issued by MoLISA on Amendment of Article 1 of the Circular No. 20/2015/TT-BLDTBXH dated 17/6/2015 issued by MoLISA defines the list of minimum training equipment required for several listed nationwide key occupations at intermediate and college levels. Circular No. 11/2016/TT-BLDTBXH dated 16/06/2016 on Amendments of Article 1 of Circular 18/2015/TT-BLDTBXH dated 16/6/2015 issued by MoLISA specifies the list of minimum training equipment required for listed occupations at vocational intermediate and college levels. These two circulars introduce amendments to the list of minimum required equipment that a TVET institute should possess to be allowed to deliver practical training of these occupations.

Circular No. 152/2016/TT-BTC dated 17/10/2016 issued by MoF regulates the

management and use of funds to support elementary vocational training and under-three-month training. The Circular specifies conditions for training allowance for the trainees, financial resources for allowance, allowance items, allowance rates and types of training supports and training orders. The Circular plays an important role in the implementation of Article 62 of the VET Law, which defines policies for the trainees who are women, rural workers, people with disabilities who attend elementary vocational training and under-three-month training courses. Special attention is given to vocational training for the following target groups: people with disabilities; revolutionary contributors; ethnic minorities groups; people from the poor and near-poor households; people from households whose agriculture and production land has been confiscated; unemployed women and fishermen.

Circular No. 43/2016/TT-BLDTBXH dated 28/12/2016 issued by MoLISA specifies policies on vocational training support for the target groups defined in Article 14 of the Government Decree No. 61/2015/ND-CP dated 9/7/2015 on job promotion policies and National Fund for Employment. These supporting policies are applied for young people who have finished their military service, police duty service or youth volunteer service connected with the implementation of socio-economic development programs and projects. The Circular also defines TVET institutes, enterprises, agencies, organisations and individuals that can be involved in the implementation of policies to support vocational training for the youth. Circular No. 43/2016/TT-BLDTBXH has a positive impact on creating job opportunities for young people who have completed military service and volunteer services.

Inter-ministerial Circular No. 09/2016/TTLT-BGDDT-BTC-BLDTBXH dated 30/3/2016 issued jointly by the MoET, MoF and MoLISA explains in more details Government Decree

No. 86/2015/ND-CP dated 2/10/2015 on the collection and management of tuition fees for educational institutes in the national education system and policies on tuition fee exemption and reduction for the academic years from 2015-2016 to 2020-2021. This Circular provides guidance on the implementation of Decree No. 86 regarding specific types of TVET institutes in specific locations.

Inter-ministerial Circular No. 14/2016/TTLT-BGDDT-BLDTBXH dated 16/6/2016 jointly issued by MoET and MoLISA on the implementation of the Prime Minister's Decision No. 152/2007/QĐ-TTg dated 14/9/2007 on scholarship policy for students and pupils studying in educational institutes in the national education system.

Inter-ministerial Circular No. 12/2016/TTLT-BLDTBXH-BGDĐT-BTC dated 16/6/2016 jointly issued by MoLISA, MoET and MoF provides guidance on the implementation of Decision No. 53/QĐ-TTg dated 20/10/2015 issued by the Prime Minister defining the school boarding policies for college and VET school students. These policies define scholarship and allowance for personal expenses, allowance for Lunar new-year holidays and travel allowances. The Circular provides detailed guidelines for TVET institutes to implement policies to support the beneficiaries of school boarding policies when they join colleges and VET schools.

## Conclusion

The VET Law has introduced innovative aspects of a comprehensive reform of vocation

education and training. Among these aspects are the provision for the rights and responsibilities of enterprises to participate in vocational education and training and the policies on the socialisation of vocation education and training. These policies provide a legal framework to mobilise financial resources from the society and enterprises for the VET development. In 2016, the Government and MoLISA issued several decrees and circulars to provide guidance on the implementation of the VET Law. In addition, the Government and other relevant ministries issued legal documents to provide guidelines on the organisation and implementation of VET activities. All the legal documents issued in 2016, which are directly or indirectly connected with the implementation of the VET Law, have made great effects on the TVET system in term of the state management of vocational education and training, the VET qualifications framework within the national qualifications framework, the planned national target programmes for the period 2016-2020, conditions for investments in the VET field, regulations on VET school charter and college charter, etc.

Concerning the policies on the socialisation of vocational education and training and cooperation with the business sector in vocational education and training, though the VET Law is not a tax law, it provides preferential corporate income tax for enterprises engaged in VET activities and policies to encourage the business sector, other organisations and individuals to get involved in VET activities.

## CHAPTER 2.

# VOCATIONAL EDUCATION AND TRAINING FOR THE LABOUR MARKET

*Vocational education and training aims at meeting the demand of the labour market. Therefore, information on the situation of labour supply and demand is important for the planning and development of demand-oriented vocational education and training. This chapter reports the labour force situation, unemployment and under employment issues, the domestic labour demand and labour demand of enterprises. The data and information used in this chapter were obtained from GSO, MoLISA and the surveys and researches conducted by NIVET.*

### 2.1. Labour supply

#### 2.1.1. Population aged over 15

According to the data provided by the General Statistics Office<sup>2</sup> as of Quarter 4, 2016, the population aged 15 and above was 71.6 million (increase by 2.9% compared with the 4<sup>th</sup> quarter of 2015), of which 51.4% were females and 48.6% were males, with 35.1% residing in urban areas and 64.9% in rural areas.

The population between the age of 15-29 was 21.3 million (accounting for 29.76% of total population aged 15 and above), of which males accounted for 51.4%, females accounted for 48.6%; with 34.2% residing in urban areas (7.3 million persons) and 65.8% in rural areas (14 million persons).

#### 2.1.2. Labour force

The labour force was 54.6 million, of which 48.4% (26.4 million) were females. 67.8% of the labour force was concentrated in rural areas.

The labour force aged 15 and above accounted for 76.8% of the total population.

Within the labour force, there was a significant difference between the proportion of male and female workers (male workers made up 81.7% of the total male population while female workers made up 72.2% of the total female population). The labour force was also disproportionally distributed between rural and urban areas, with the percentage of workers in urban areas accounting for 70.2% of the total population in the urban areas while which in rural areas accounted for 80.4% of the total population in the rural areas.

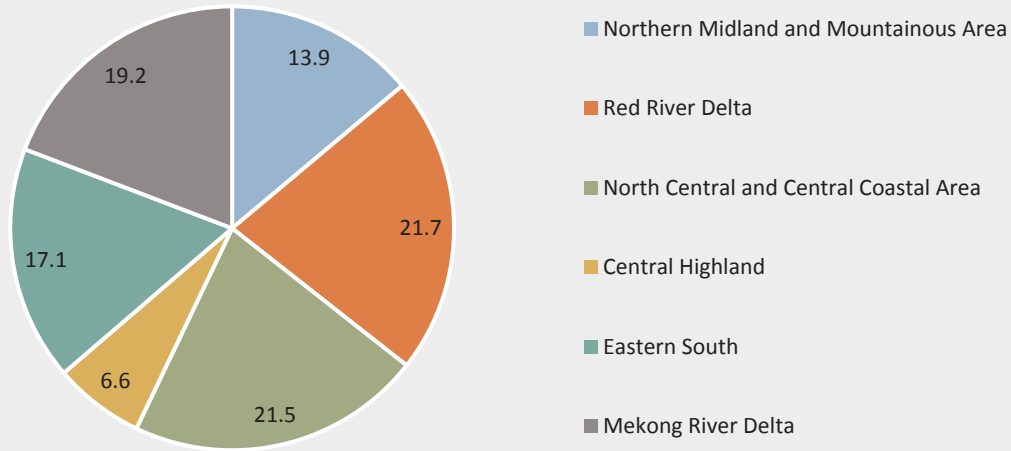
50.5% of the labour force was between the ages of 15-39, of which young people (aged between 15-29) accounted for 25.5%.

Figure 2.1 shows the labour force distributed by socio-economic regions. Accordingly, the largest proportions of the total labour force were in the Red River Delta (21.7%) and in the North Central and Central Coastal Area (21.5%). 19.2% of the total labour force was in the Mekong River Delta while the smallest proportion of labour force (6.6%) was in Central Highland.

<sup>2</sup> Labour and Employment Survey, Quarter 4, 2016, GSO



**Figure 2.1: Labour force distributed by socio-economic regions (in %)**



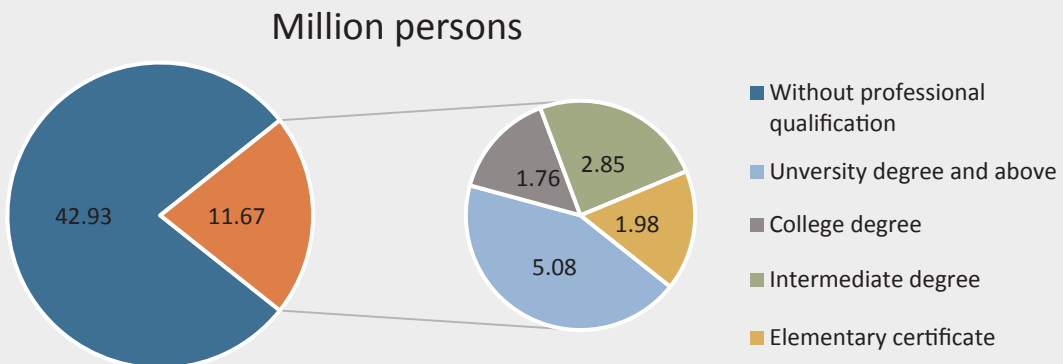
(Source: Calculation based on the Labour and Employment Survey, Quarter 4, 2016, GSO)

In Quarter 4, 2016, the labour force aged 15 and above with professional qualifications (including those who had at least 3-month-training certificate) consisted of 11.67 million people (equivalent to 21.39% of the total labour force aged 15 and above) while the remaining 42.93 million people did not have professional/occupational skills.

5.08 million people (43.5%) out of these 11.67 million people had university diploma and above, over 1.76 million people (15.1%) had

college diploma, 2.85 million people (24.4%) had intermediate certificate and 1.98 million people (17.0%) had elementary certificates as indicated in Figure 2.2. Furthermore, comparison of the qualifications structure of the labour force aged 15 and above shows the following proportions of the number of people with different qualifications: holder of university degree and above (1 person) = holder of college degree (0.35 person) = holder of intermediate degree (0.56 person) = holder of elementary certificate (0.39 person).

**Figure 2.2: Labour force with professional qualifications**



(Source: Labour Market Update No. 12, Quarter 4, 2016, MoLISA-GSO)

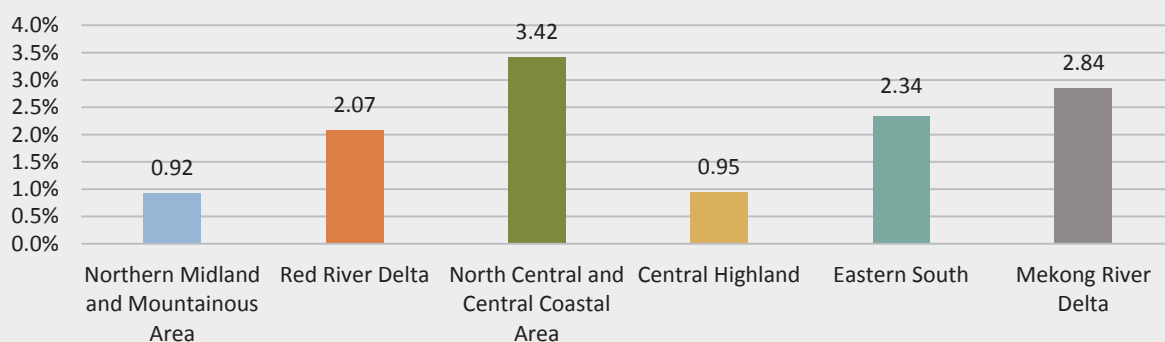
### 2.1.3. Unemployment

As of Quarter 4, 2016, the total number of unemployment was 1,152,500 people, accounting for 2.11% of the total labour force aged 15 and above, of which the number of female unemployment is lower than male unemployment (unemployed females accounted for 46.5% of the total number of unemployment while unemployed males accounted for 53.5% of the total number of unemployment). The unemployment number in urban areas (47.3% of the total number of unemployed people) was lower than in rural areas (52.7% of the total number of unemployed people). Unemployed young people (aged 15-29) accounted for 67.8% (781,100 people) of the total number of unemployment.

As of Quarter 4, 2016, the unemployment rate

of the people at working age accounted for 2.31% (1,110 thousand people), of which, the unemployment rate of urban inhabitants (3.24%) was higher than that of rural inhabitants (1.84%), and the difference between male and female unemployment was not considerable. However, there is a noticeable difference of unemployment rates in different socio-economic regions. The Northern Midland and Mountainous Area had the lowest unemployment rate (0.92%) which was 2.5 times lower than the average unemployment rate of 2.31% in the country. The second lowest unemployment rate was in the Central Highland with 0.95%. The highest unemployment rates were observed in the North Central and Central Coastal Area (3.42%) and the Mekong River Delta (2.84%) as shown in Figure 2.3.

**Figure 2.3: Unemployment rate at working age by socio-economic regions (in %)**

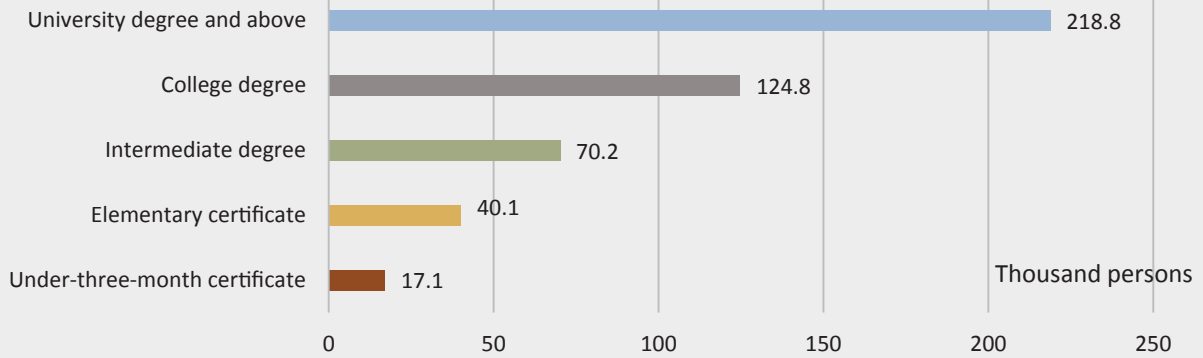


(Source: Calculation based on the Labour and Employment Survey, Quarter 4, 2016, GSO)

There were 471,000 unemployed people who had professional occupations which made up 42.43% of the total number of unemployed people at working age. Figure 2.4 shows the distribution of unemployed people at working age by qualifications. Accordingly, in Quarter 4, 2016, the highest number of unemployment by qualifications was among people with university degree and above (218,800 persons) which even increased by 16,500

people compared with Quarter 3, 2016. The second highest unemployment figure was observed in the group with college degree (124,800 people), followed by the group with intermediate degree (70,200 people) and elementary certificate (40,100 people) while the lowest number of unemployment was among people with under-three-month vocational certificate 17,100 people).

**Figure 2.4: Number of unemployed people at working age by qualifications**

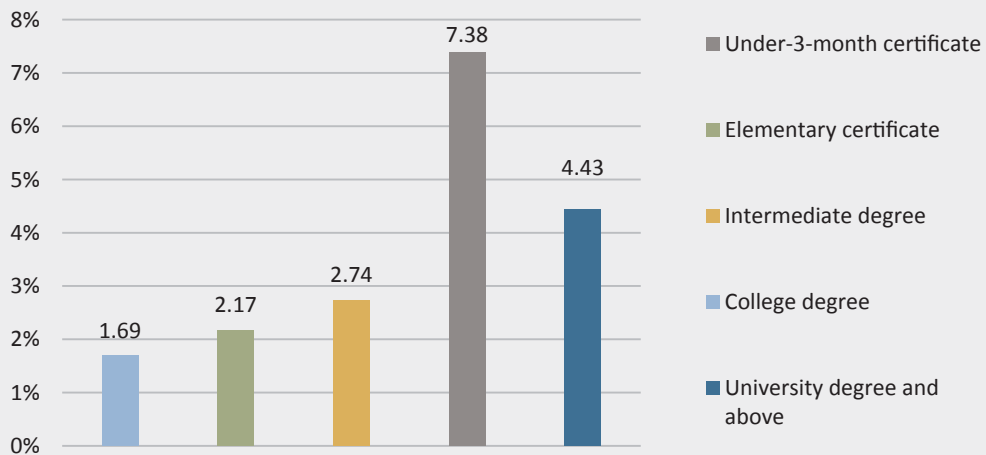


(Source: Labour Market Update No. 12, Quarter 4, 2016, MoLISA-GSO)

By Quarter 4, 2016, the unemployment rate among people with college degree was 7.38% which slightly decreased compared with Quarter 3, 2016. However, it was still the highest among different levels of qualifications. The unemployment rate among people with university degree slightly increased to 4.43%.

The unemployment rate among young people was 7.28%. This rate decreased compared with Quarter 3 of 2016, however, it was higher than the same period in 2015 and three times higher than the average unemployment rate of 2.31% reported in Quarter 4 of 2016 (Figure 2.5).

**Figure 2.5: Unemployment rate by qualifications (in %)**



(Source: Labour Market Update No. 12, Quarter 4, 2016, MoLISA-GSO)

The percentage of people who had been unemployed for at least 12 months accounted for 24.0% of the total number of

unemployment. 54% of unemployed people had never been employed before.

## 2.2. Labour demand

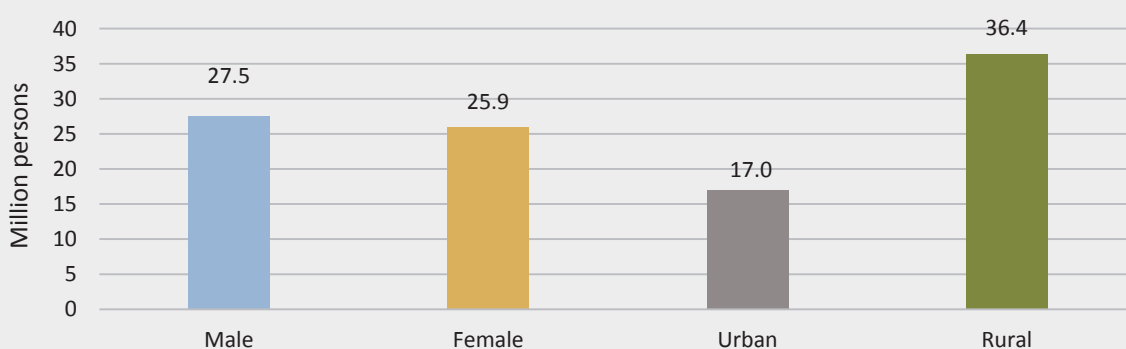
### 2.2.1. Domestic labour demand

#### Employed workers

By Quarter 4, 2016, there were 53.4 million employed people, of which the percentage of male workers was higher than female workers. Accordingly, the total number of male workers

was 27.5 million (accounting for 51.5% of the total number of the employed people), whereas the number of female workers amounted to 25.9 million (accounting for 48.5%). Figure 2.6 shows not only the number of employed workers by sex but also the number of employed workers in urban areas (17 million people) and in rural areas (36.4 million people).

**Figure 2.6: Employed workers aged 15 and above by sex and urban/rural areas**

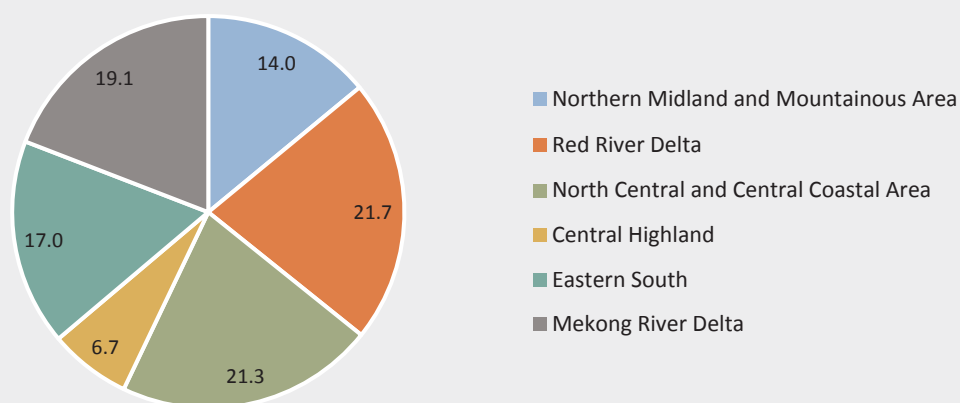


(Source: Calculation based on the Labour Force Survey Quarter 4, 2016, GSO)

Figure 2.7 summarises the total employed workforce by socio-economic regions. In this context, the Red River Delta and the North Central and Central Coastal Area were the two regions with the highest proportions of

employed workforce in the country (21.7% and 21.3% respectively). The Mekong River Delta had 19.1%; the South East had 17.0% and the Central Highland had the lowest employed workforce (6.7%).

**Figure 2.7: Distribution of total employed workforce by socio-economic regions (in %)**



(Source: Calculation based on the Labour and Employment Survey, Quarter 4, 2016, GSO)

Figure 2.8 below shows the distribution of total employed workforce by industry sectors: Most of the employed workforce was concentrated in agriculture, forestry and aquaculture sector

(41.5%); workers employed in commerce and services accounted for 33.4% of the total workforce, and employed workforce in industry and construction was the lowest (25.1%).

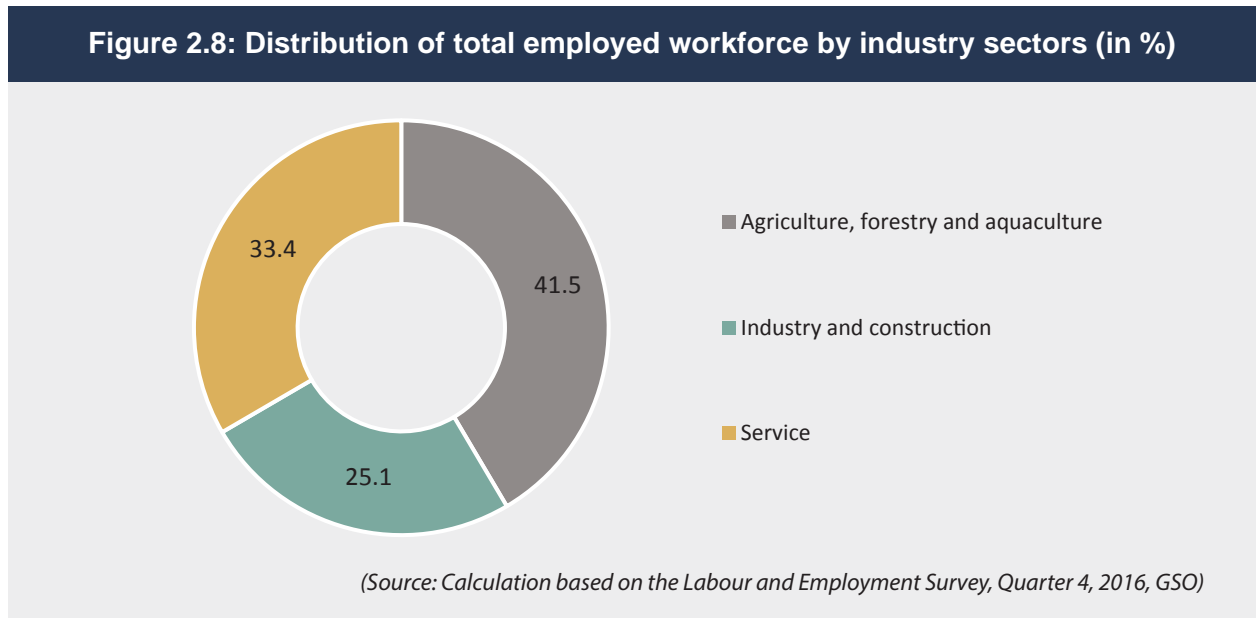
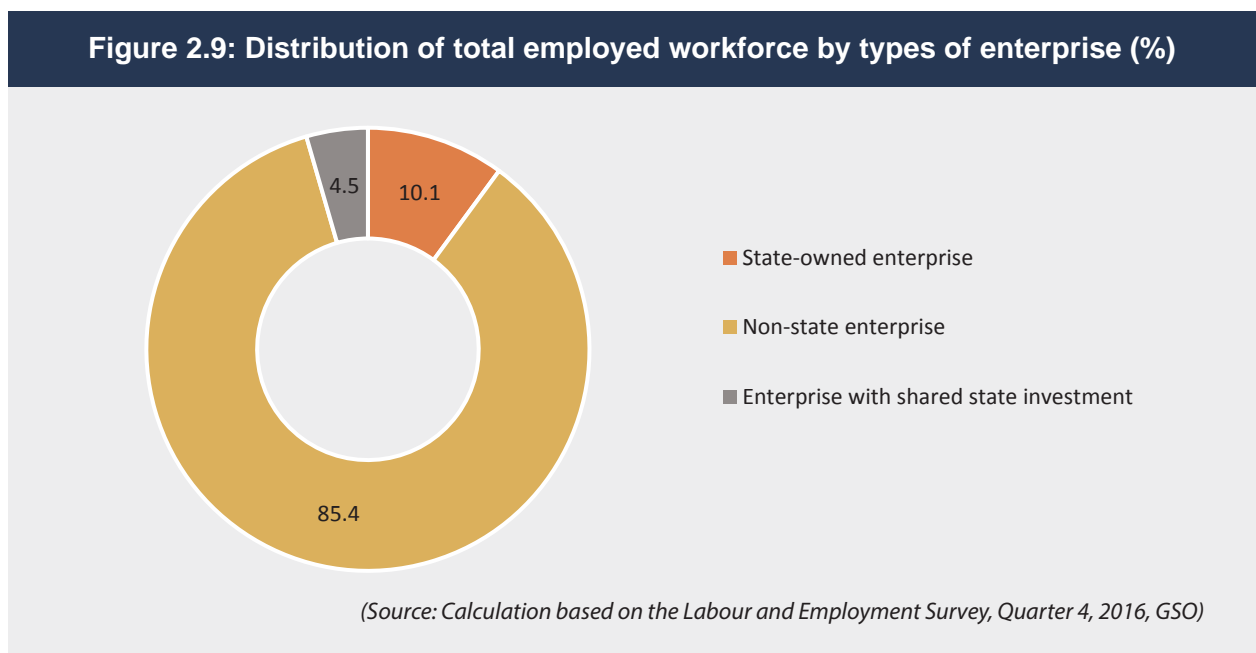


Figure 2.9 visualises the distribution of total employed workforce by types of enterprises. Hereby most employed workforce was concentrated in the “non-state” sector,

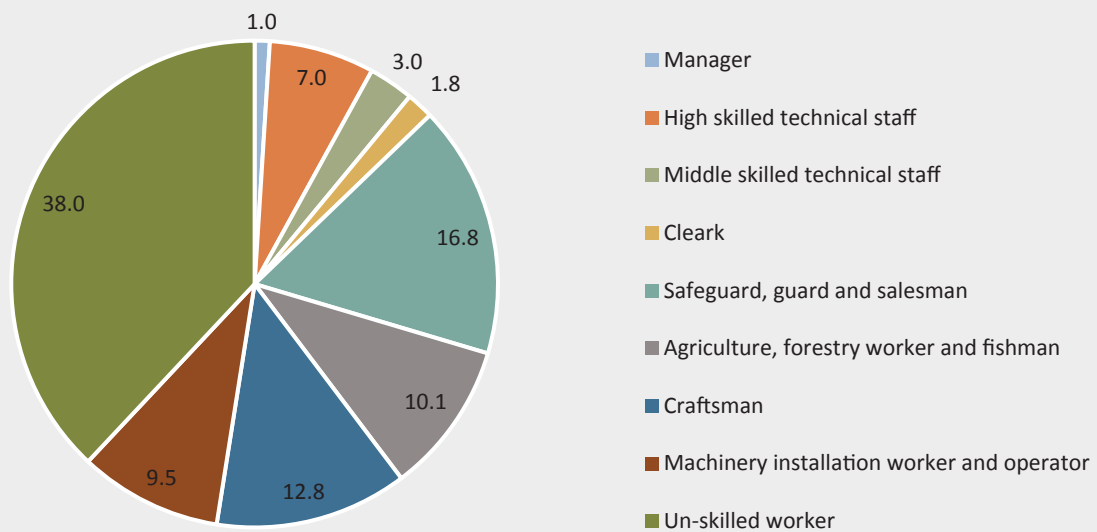
accounting for 85.4%; those in the “state” sector accounted for 10.1% and those in “foreign-invested” sectors accounted for a very small percentage (4.5%).



Regarding the distribution of employed workers by occupations, Figure 2.10 shows that more than a third (38.0%) of employed people were working at jobs with no professional qualifications although they have some had technical skills; 18.6% were working at jobs with basic technical skills such as personal

guards, security guards, salesmen and clerks; 12.8% were working at such jobs as craftsmen and other related technicians. Technical workers in agriculture, forestry and aquaculture sector accounted for 10.1%; and workers in other fields accounted for below 10%.

**Figure 2.10: Distribution of total employed workforce by occupations (in %)**



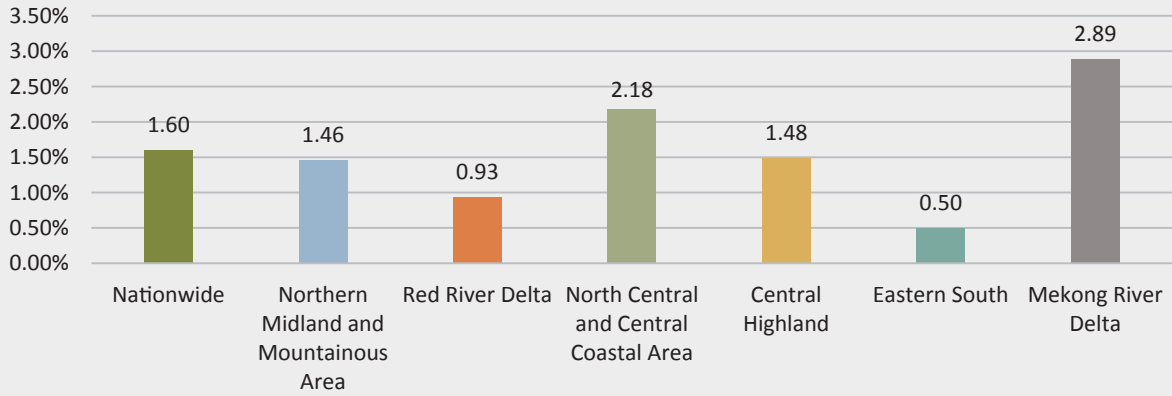
(Source: Calculation based on the Labour and Employment Survey Quarter 4, 2016, GSO)

Comparing by professional qualifications: 21.0% of employed people nationwide had at least a certificate of three-month vocational training, of which people who had university degree and above accounted for 9.1% (4.86 million) of the total number of employed people. Employed people who had vocational training qualification, including minimum three-month training, intermediate and college qualification accounted for 11.9% of the total number of employed people.

**Under-employed labour force**

In Quarter 4, 2016, the under-employment rate of people at working age nation-wide accounted for 1.60%. The under-employment rate of the people at working age residing in rural areas accounted for 2.10% which was 3.6 times higher than in urban areas (0.59%). It can be seen in Figure 2.11 that there was a difference in the rate of under-employment in different regions. The Mekong River Delta had the highest under-employment rate (2.89%) which was 1.8 times higher than the average under-employment rate in the country (1.60%).

**Figure 2.11: Under-employment rate by socio-economic regions (in %)**



(Source: Calculation based on the Labour and Employment Survey, Quarter 4, 2016, GSO)

Table 2.1 shows the number of under-employed workers by industry sector segregated by sex and areas. It can be observed that the total number of under-employed workers was around seven times higher in rural areas than in urban areas. In rural areas, on average more

women were affected from under-employment than men. The highest proportion of under-employment was observed in the agriculture, forestry and aquaculture sector, followed by the service sector and the industry and construction sector.

**Table 2.1: Under-employed workers by sector segregated by sex and urban/rural areas**

Industry sectors	Total (1,000 persons)			Urban areas (1,000 persons)			Rural areas (1,000 persons)		
	Total	Males	Females	Total	Males	Females	Total	Males	Females
<b>Total</b>	<b>801.7</b>	<b>363.2</b>	<b>438.5</b>	<b>99.7</b>	<b>50.0</b>	<b>49.7</b>	<b>702.1</b>	<b>313.2</b>	<b>388.8</b>
<b>Agriculture, Forestry and Aquaculture</b>	659.3	289.7	369.6	40.8	23.2	17.5	618.6	266.5	352.1
<b>Industry &amp; Construction</b>	30.4	19.9	10.5	9.8	5.9	3.8	20.6	13.9	6.7
<b>Services</b>	112.0	53.6	58.4	49.1	20.8	28.3	62.9	32.8	30.1

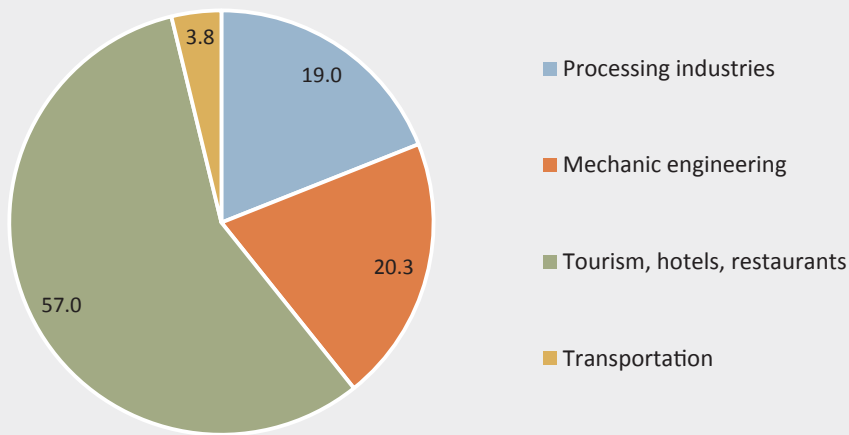
(Source: Calculation based on the Labour and Employment Survey, Quarter 4, 2016, GSO)

**Box 2.1: Labour demand of enterprises**

According to a survey conducted by VCCI and NIVET in 2017 at 79 enterprises in Hanoi, Bac Ninh, Quang Nam, Da Nang, Ho Chi Minh City, Binh Duong and Dong Nai, enterprises operating in the field of

tourism, hotels and restaurants industries accounted for the largest proportion (57%) while enterprises operating in the transportation sector accounted for only 3.8% (See Figure 2.12).

**Figure 2.12: Enterprises by industrial sectors (in %)**

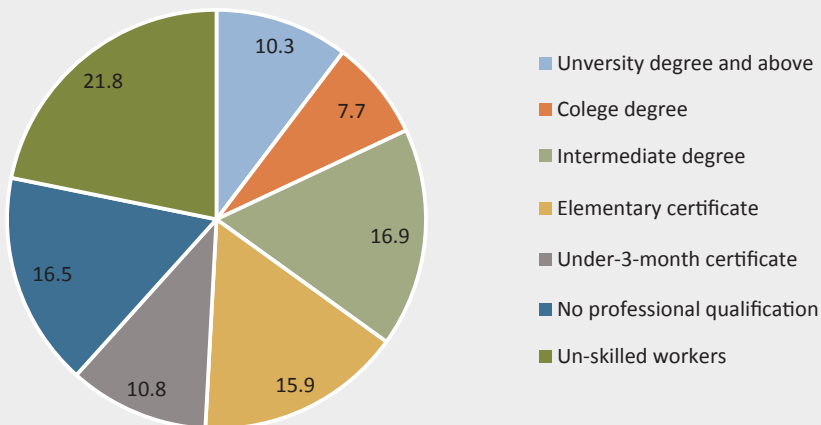


(Source: VCCI and NIVET enterprise survey, 2017)

In the surveyed enterprises, employees without professional / occupational qualification accounted for the highest proportion (21.8%) of the total number of enterprise

employees while employees with professional college/vocational college qualification accounted for the lowest percentage (7.7%) (Figure 2.13).

**Figure 2.13: Enterprise workers by professional qualifications (in %)**



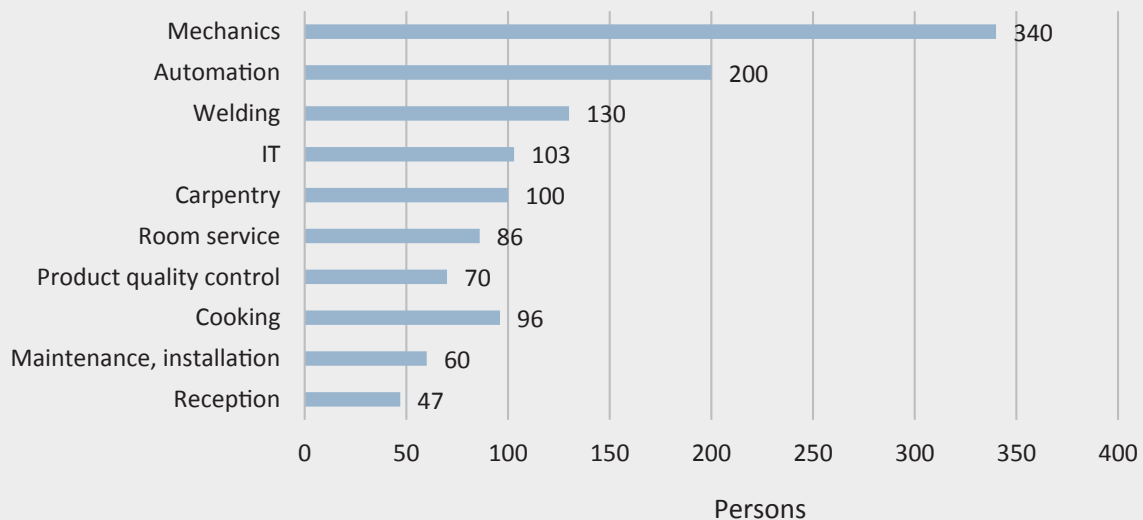
(Source: VCCI and NIVET enterprise survey, 2017)



Figure 2.14 shows the diagnostics of the surveyed enterprises about the most needed occupations for the period 2018-2020. Companies had the highest demand

for mechanical workers (340 persons), followed by the demand for workers in automation (200 persons) and welders (130 persons).

**Figure 2.14 Top ten occupations in need of trained workers during 2018-2020**



(Source: VCCI and NIVET enterprise survey, 2017)

### 2.2.2. Labour demand in overseas market

By the end of Quarter 4, 2016, there were 278 organisations that were granted labour export licenses, of which there were 15 state-owned enterprises, 208 joint-stock companies and 55 limited-liability companies. In 2016, the total number of workers nationwide sent to work overseas under contract was 126,296, increasing by 8.99% compared with 2015 and exceeding the targeted number of workers to be sent overseas in 2016 by 26.29%.

The workers going to North Eastern Asia in 2016 made up 92.6% (116,948 persons) of the total of workers sent overseas. Of which: 68,244 workers went to Taiwan, accounting for 58.35% of the total number of workers going to this region. 39,938 workers went to Japan, 8,442 workers went to South Korea, 266 people went to Macao and 11 people went to Hong Kong.

2,109 Vietnamese workers went to Southeast Asian countries (Malaysia and Singapore) (1.67%). It is known that Singapore requires qualified workers with good foreign language skills.

Also in 2016, 5,641 workers (4.46%) went to the Middle Eastern countries; 1,223 workers went to North Africa (0.97%) and 375 workers went to other countries (0.3%).

New labour markets have been promoted, such as Turkey receiving 136 workers and Germany receiving 78 workers.

### 2.3. Salaries and wages

This subchapter only reports the income of employed salary earners, including salaries/wages, bonuses and work allowances (overtime, hazardous work allowances).

As of Quarter 4, 2016, the average monthly income from the main job of the employed salary earners was 5.08 million VND (equal to 227.5USD)<sup>3</sup> per month. On average, men earned 5.24 million VND (equal to 234.6USD) per month while women earned 4.85 million VND (equal to 217USD) per month. Urban workers earned 6.03 million VND (equal to 270USD) per month while rural workers earned 4.3 million VND (192.6USD) per month.

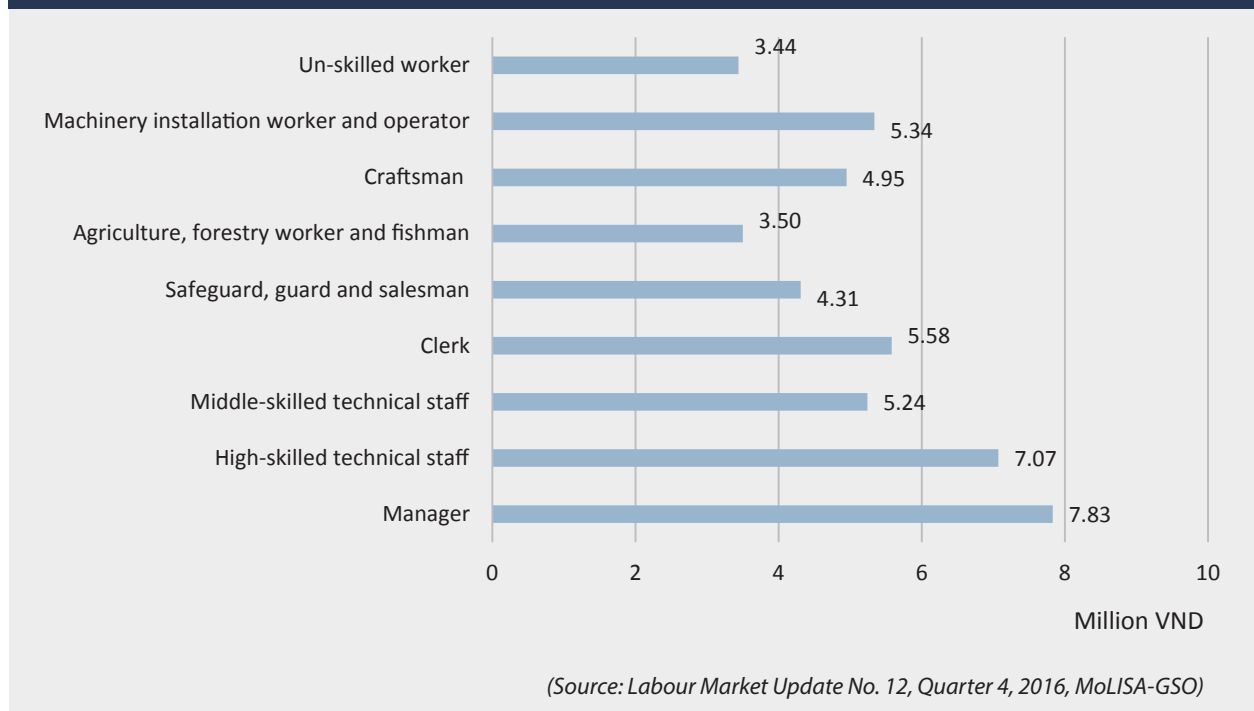
The average income of the “managers” group was the highest (7.83 million VND per month), followed by income of employees with high technical qualifications (7.07 million VND per month). “Un-skilled workers” earn the lowest

(3.44 million VND per month) (Figure 2.15).

When comparing different kinds of enterprises by ownership, workers in foreign-invested enterprises continued earning the highest income (6.4 million VND/month), followed by those in state-owned enterprises (5.8 million VND/month). Workers in non-state companies earned the least (4.6 million VND/ month).

Comparing economic sectors: workers in the services sector earned the highest (5.5 million VND/month); followed by those in industry and construction (5.1 million VND/month); and workers in agriculture, forestry and aquaculture sector earn the lowest (3.3 million VND/month).

**Figure 2.15: Average monthly income by occupations**

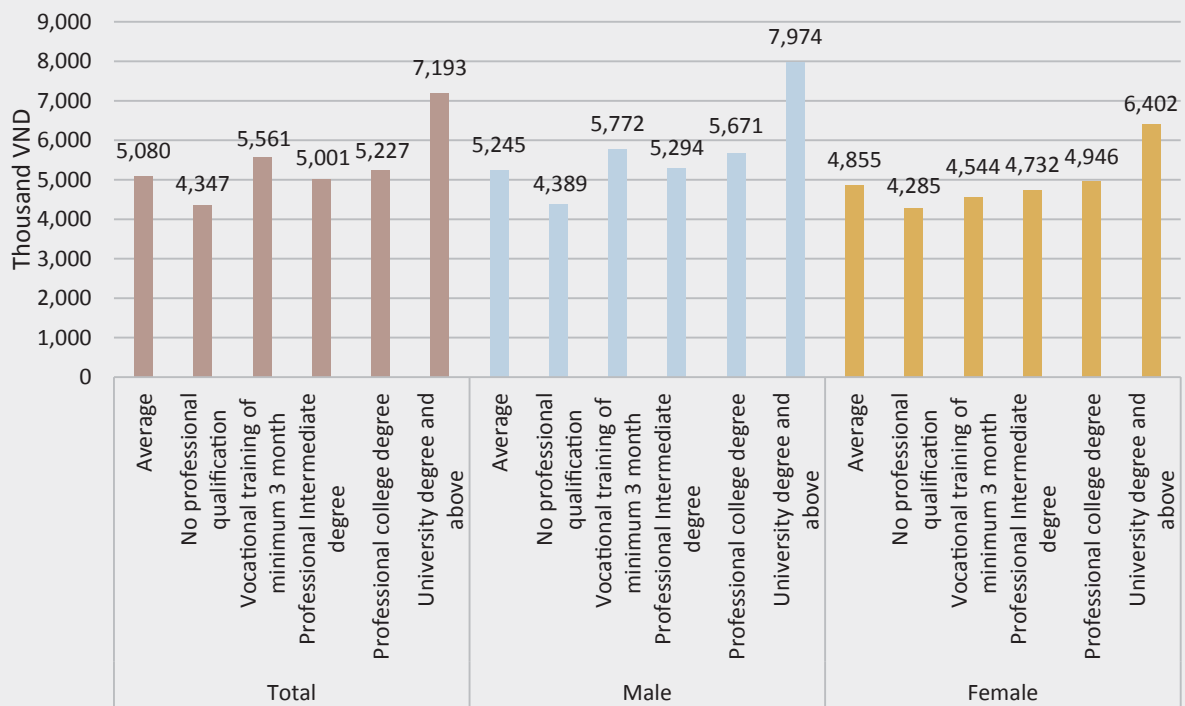


There is a large disparity of average income by professional qualifications: workers with no professional qualifications only earned 4.3 million VND/month while workers with university degrees and above earned double (7.2 million VND/month); workers who

completed vocational training earn 5.5 million VND/month, which is higher than workers with professional intermediate degree (5.0 million VND/month) and professional college degree (5.2 million VND/month) (Figure 2.16).

<sup>3</sup> The amounts translated from VND into USD in this report are converted at the exchange rate of 1USD= 22,332 VND (Average exchange rate applicable on the last day of the months in 2016 published by Vietcombank on website: <https://www.vietcombank.com.vn/ExchangeRates>)

**Figure 2.16: Average monthly income of employed salary earners by qualifications**



(Source: Calculation based on the Labour and Employment Survey Quarter 4, 2016, GSO)

### 2.4. Job market

As of end of Quarter 4, 2016, there were 64 job placement centres which belong to MoLISA and DoLISA. 336 job fairs were conducted with nearly 780,000 job advices/services provided to job seekers. Thanks to these job fairs, 242,000 participating people successfully found a job.

According to the E-portal of MoLISA, 224,200 jobs were offered by enterprises in the 4th Quarter of 2016, of which job offers by non-state enterprises accounted for 87.3%.

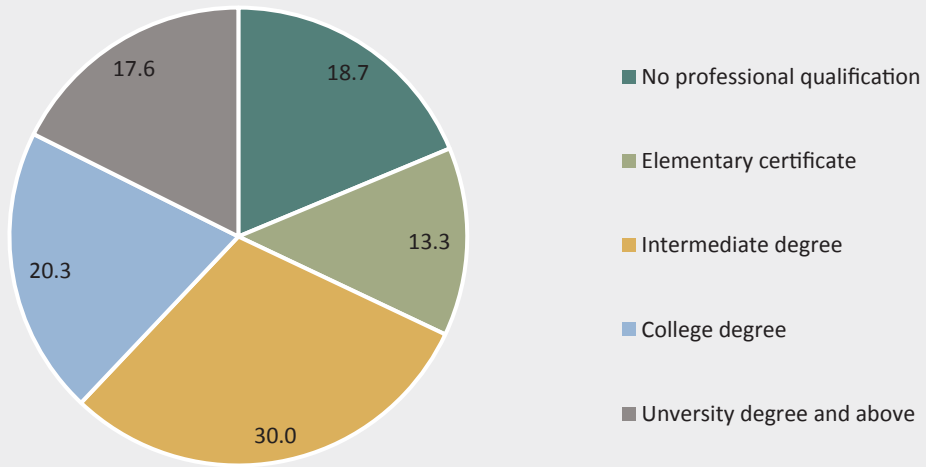
The E-portal of MoLISA shows there were 87,900 people seeking for jobs, of which males

accounted for 52.3%. Job seekers with technical qualification accounted for 81.3%.

Regarding technical qualifications among people seeking for jobs, people with intermediate degree accounted for the largest proportion (30.0%), followed by people with college degree (20.3%) and university degree and above (17.6%) (Figure 2.17).

In terms of occupations, some positions that attracted the highest number of jobseekers are: accountant and auditor (23.0%)! jobs without technical qualification required (7.8%); and human resource officers (7.4%).

**Figure 2.17: Jobseekers by professional qualifications (%)**



(Source: Labour Market Update No. 12, Quarter 4, 2016, MoLISA-GSO)

## CHAPTER 3. NETWORK OF TVET INSTITUTES

2016 was the second year of the implementation of the VET Law. This year could be considered as the starting year of the operation of the TVET system in the framework of the national educational system though it was not until the end of 2016 that the function of state management of the TVET system was transferred from MoET to MoLISA. The efficiency of the TVET institutes and their cooperation with the business sector is a key issue of the Vietnamese TVET system, a precondition for sufficiently qualified human resources to meet the demand of the labour market in the context of national, ASEAN and international integration. Chapter 3 gives an overview of the situation of the network of TVET institutes, including the former professional secondary schools and colleges under MoET. TVET institutes will be objectively described according to their existing category, location in socio-economic regions and ownership. In addition, this chapter provides a deeper analysis of TVET institutes which are established under companies/enterprises and corporations.

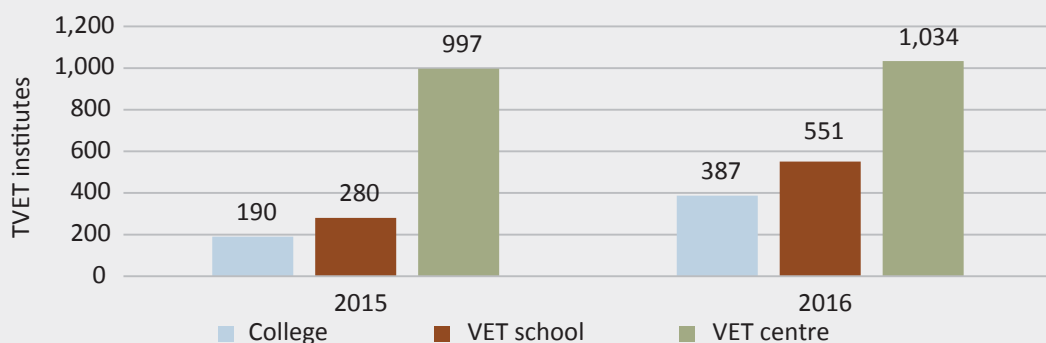
### 3.1. The network of TVET institutes

The analysis of the current state of TVET institutes from different management perspectives indicates that it is essential to restructure the network of TVET institutes in accordance with the VET Law. However, this process will certainly face numerous difficulties. The re-planning of the TVET institutes network should be directed at increasing the operational scope of TVET institutes, reducing the number of middle management agencies and improving the training quality and performance. Such positive measures as promoting public participation (socialisation) in vocational education and training, giving autonomy to TVET institutes, rearrangement of TVET institutes by occupations, qualifications levels

and types of TVET institutes will contribute to a comprehensive reform of the TVET system. These measures will help train qualified human resources and promote the competitiveness of Viet Nam in the regional and global integration process.

As of October 30, 2016, there were totally 1,972 TVET institutes, which significantly increased by 134.5% (506 institutes) compared with 2015. The increase rate was different for each type of TVET institutes. Specifically, the number of colleges increased by 215% (199 colleges); the number of VET schools increased by 197.4% (272 VET schools); and the number of VET centres increased by 103.7% (37 VET centres) (Figure 3.1).

**Figure 3.1: Number of TVET institutes**



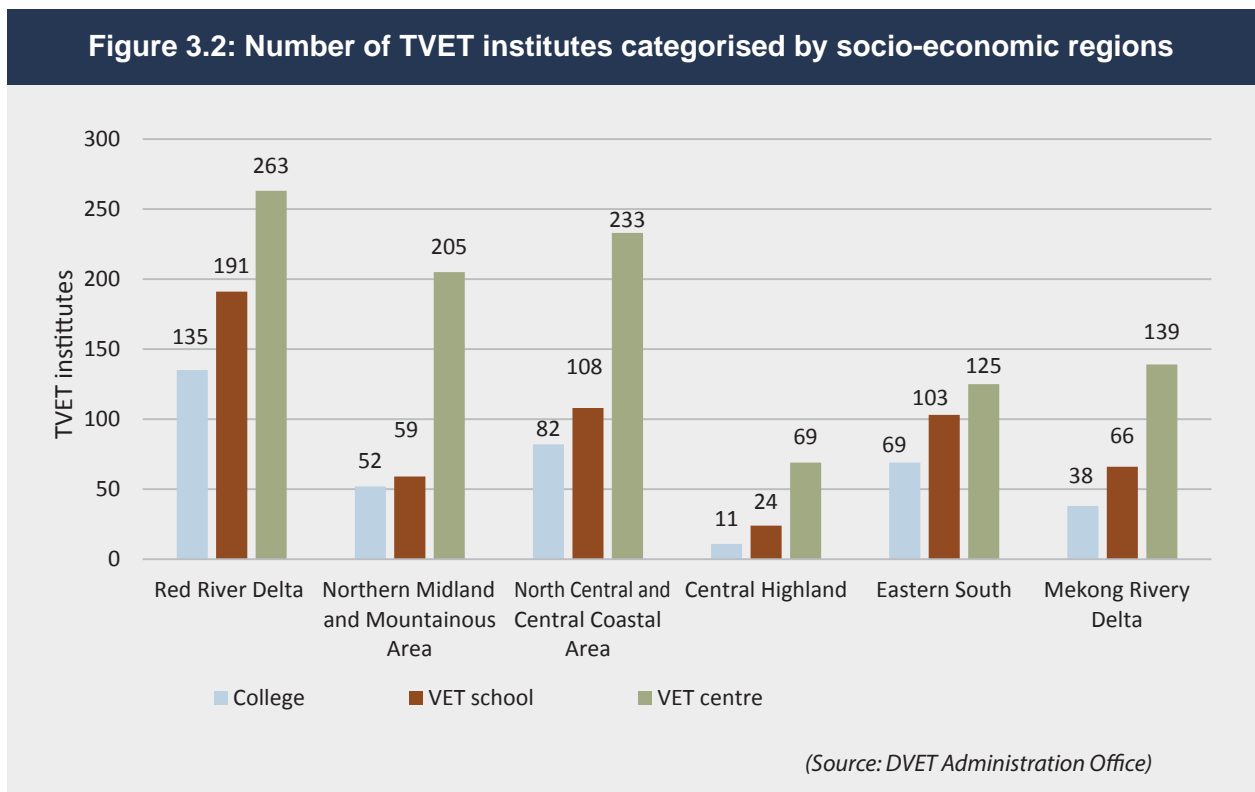
(Source: DVET Administration Office)

In general, the reason for the increase in the number of TVET institutes was not the establishment of new TVET institutes but the merger of the systems of vocational training and professional training.

**3.2. TVET institutes categorised by socio-economic regions**

The establishment and development of TVET institutes should be in line with the Socio-Economic Development Strategy, Human Resources Development Strategy and Human Resources Development Plan. TVET institutes establishment and development should correspond to the actual level of regional, provincial and national development, especially for the period 2011-2020. However, as the

investments and development of manufactures, factories and companies are only concentrated in certain provinces and cities or regions, the TVET institutes located in provinces without favourable conditions for economic development have encountered several difficulties. In 2016, the Red River Delta had the largest number of colleges (135 colleges), accounting for 34.8% of the total number of colleges in the country. This can also be explained by the fact that the largest labour force was concentrated in the Red River Delta (21.7% of the total labour force in the country) (refer to Chapter 2). The number of VET schools located in this region was also very large, accounting for 37.3% (191 VET schools) of the total number of VET schools nationwide. (Figure 3.2).



**3.3. TVET institutes categorised by ownership**

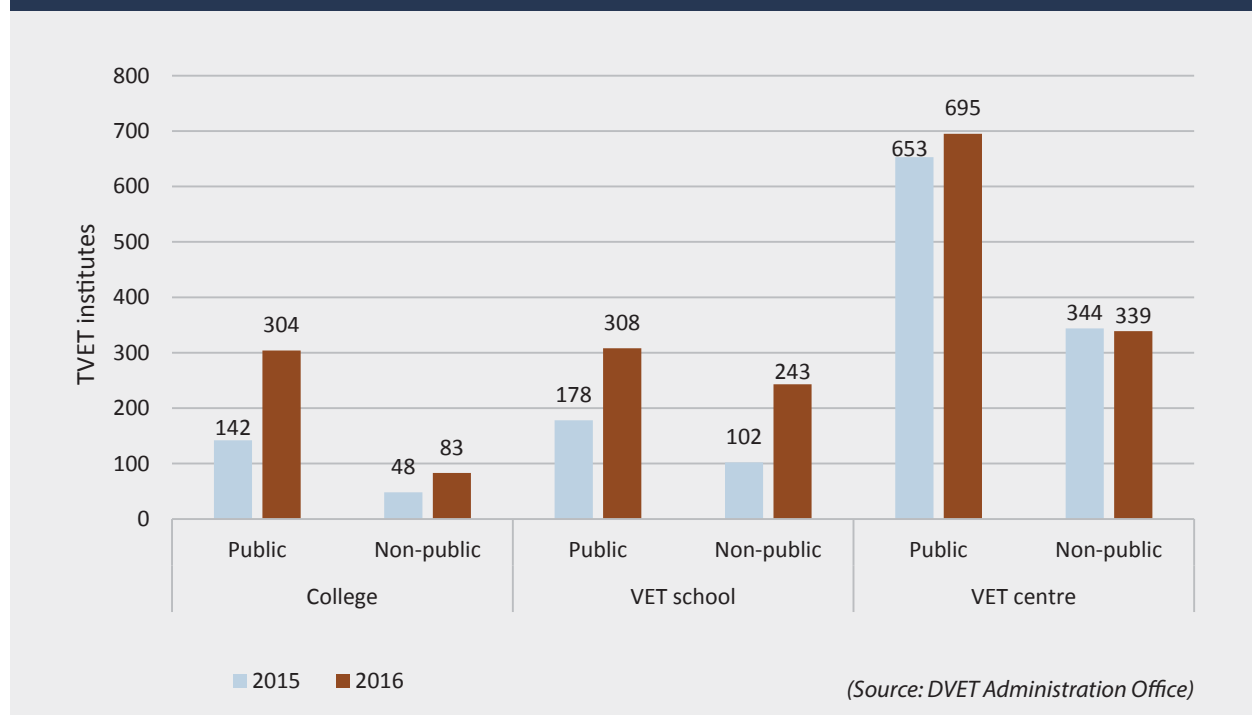
The VET Law defines three types of TVET institutes according to their ownership: public TVET institutes, private TVET institutes and foreign-invested TVET institutes.

By October 30, 2016, the total number of TVET institutes was 1,972, of which public TVET institutes accounted for 66.3% (1,307 TVET institutes).

Among 1,307 public TVET institutes, the number of public colleges accounted for 23.3% (304 colleges), public VET schools accounted for 23.6% (308 VET schools), and VET centres accounted for 53.1% (695 VET centres). Non-public TVET institutes (including private and foreign-invested institutes) accounted for 33.7% (665 TVET institutes) of the total number of TVET institutes (Figure 3.3). It is observed that the number of non-public TVET institutes, particularly non-public colleges, was still low. According to the provision of the VET Law specifying the socialisation of vocational education and training, it is necessary to encourage organisations and individuals to

participate in VET activities (refer to Chapter 1). It is important to diversify types of TVET institutes with different kinds of ownership, to promote cooperation between TVET institutes and respective individuals and enterprises domestically and overseas to mobilise financial resources, human resources and technology to improve the quality of training services. At the same time, it is necessary to develop new policies to ensure the “equality” between public and non-public TVET institutes; to provide technical support to private TVET institutes, including support with training programmes, training materials, training and retraining of the teaching and management staff.

**Figure 3.3: TVET institutes categorised by ownership**



### 3.4. TVET institutes operating under enterprises

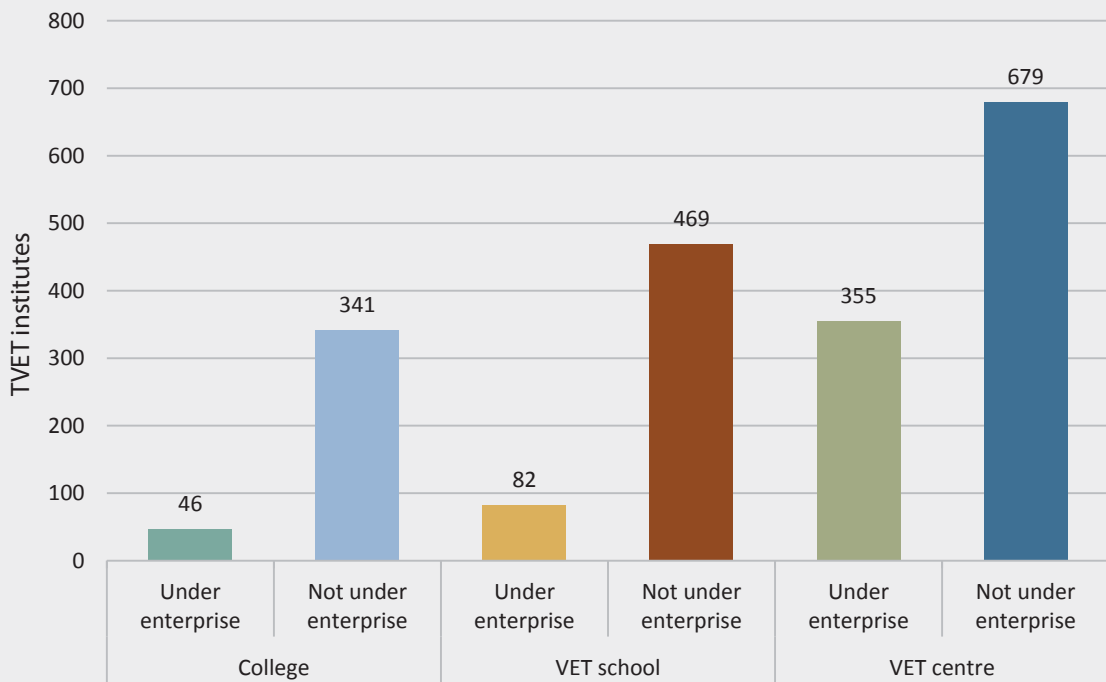
TVET institutes, which operate under enterprises, companies or business corporations to provide training according to the training needs of these businesses and companies, is shortly called “under-enterprise

TVET institutes” in this report. Training is provided by under-enterprise TVET institutes based on the training orders/contracts signed between the enterprises/companies and TVET institutes, where the number of trainees and training quality is agreed upon. These TVET institutes may provide training upon public requests. If under-enterprise TVET institutes

operate on an independent self-financing basis, they will benefit from the Government policies on the promotion of socialisation in education and training. The financial resources for training activities come from the parent companies, tuition fees, state funding and other legal funding sources. When providing training upon public demand, these TVET institutes shall define the rate of tuition fees to be charged to trainees outside the enterprises, and this rate shall relevantly correspond to the training quality and the payment affordability of the trainees and the society.

Statistics from DVET in 2016 show that the total number of TVET institutes established under enterprises in the country was still limited. Under-enterprise colleges accounted for 11.8% (46 colleges) of the total number of colleges across the country (387). Under-enterprise VET schools accounted for 14.8% (82 VET schools) of the total number of VET schools in the country (551 VET schools). VET centres and other types of training centres accounted for 34.3% (355 VET centres) representing more than one third of the total number of VET centres in the country (1,034) (Figure 3.4).

**Figure 3.4: Number of under-enterprise TVET institutes**



(Source: DVET Administration Office)

Under-enterprise TVET institutes help satisfy the training demand of the enterprises' technical workforce and contribute to the increasing capacity of the overall TVET system. Established under enterprises, these TVET institutes have better opportunities to build a close linkage with the employers and

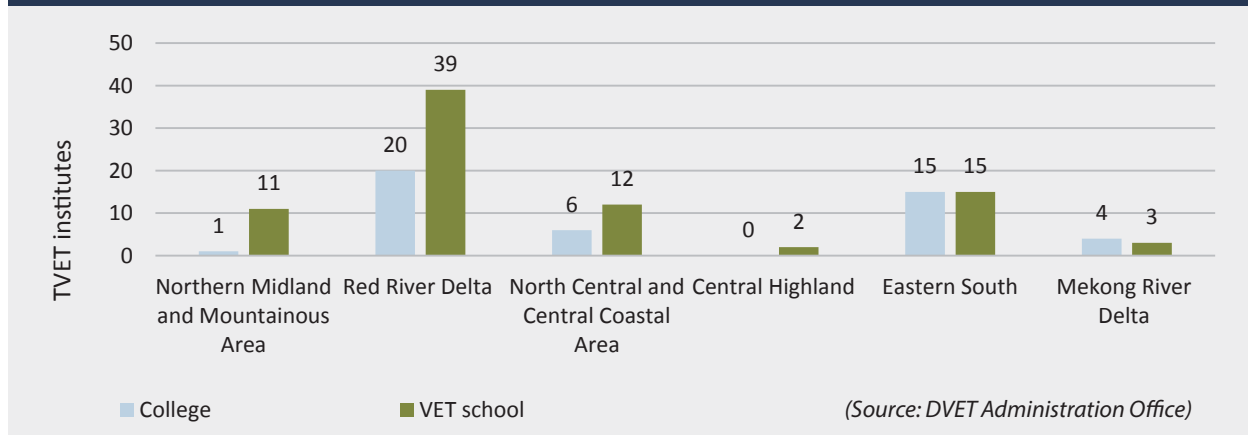
graduates from these TVET institutes have better opportunities to find jobs in the enterprise/s after training completion. At the same time, these TVET institutes provide further training for enterprise workers. The enterprise employees participating in training courses at the under-enterprise TVET institutes do not have to suspend their work.



However, the number of under-enterprise TVET institutes is still limited. This small number cannot fully meet the training demand of enterprises. Moreover, under-enterprise TVET institutes (including colleges and VET schools) are normally only concentrated in certain large socio-economic areas. For example, the number of under-enterprise colleges and VET schools located in the Red

River Delta accounted for 46.1% (59 colleges and VET schools) of the total number of under-enterprise colleges and VET schools across the country, and the number of those located in the Eastern South accounted for 23.4% (30 colleges and VET schools) of the total under-enterprise colleges and VET schools (Figure 3.5).

**Figure 3.5: Number of under-enterprise TVET institutes by socio-economic regions**



Currently, there are not sufficient practical guidelines on the operation of under-enterprise TVET institutes in the current context of economic development, particularly guidelines on the development of TVET institutes which are operating under privatised share-holding companies, companies Ltd. and private companies. The promulgated policies have not effectively promoted the development of under-enterprise TVET institutes. Moreover, the situation of state budget limitation has created difficulties for TVET institutes which operate under state-owned corporations. Several TVET institutes, for example colleges that operate under enterprises under the Ministry of Construction and Ministry of Industry and Commerce, had to reduce their scope of training services or change their superior management agency.

### Conclusion

The analysis of the current state of the network of TVET institutes shows that the number of

TVET institutes is large. However, to improve their efficiencies, it is essential to restructure the system of colleges, VET schools and VET centres and aim at increasing their scope of activities and reducing the number of middle management agencies. This restructuring process should be systematic and focussed to ensure a functional, light and reasonable structure of the system in terms of types of TVET institutes and training occupations.

Furthermore, the number of non-public and under-enterprise TVET institutes is considerably small. Diversifying different types of TVET institutes in terms of ownership and promoting cooperation between TVET institutes and relevant individuals and enterprises domestically and overseas will help mobilise financial and human resources and improve the VET quality. This system reorganisation, at the same time, will help meet the demand of technical human resources in production, trade and service sector.

## CHAPTER 4. TVET ADMISSIONS AND GRADUATIONS

As mentioned in chapter 1 and chapter 3 of this report, the year 2016 marks the unification of the TVET system, therefore, there was a fluctuation in the TVET admissions and graduations. The data on admissions and graduations reported in this chapter are still based on the statistics on admissions and graduations in training for vocational intermediate level, professional intermediate level, vocational college level and professional college level as the former system of training institutes still existed at the cut-off time of the reporting period.

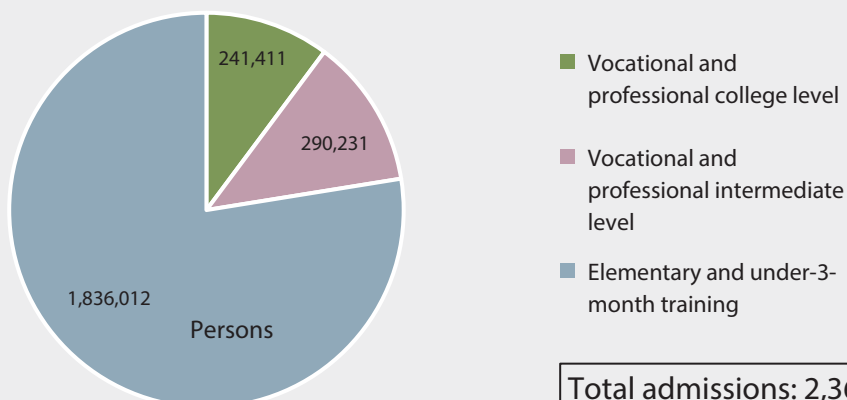
### 4.1. Admissions

#### 4.1.1. General admission information

As of 31 December, 2016, the total number of people enrolled in vocational and professional training in 2016 consisted of 2,367,654 people (Figure 4.1), of which:

- Admissions to professional and vocational college level accounted for 10.2% (241,411 persons) of the total admissions to vocational and professional training, including approximately 149,852 people enrolled in professional college level and 91,559 people enrolled in vocational college level.
- Admissions to vocational intermediate level and professional intermediate level accounted for 12.2% (290,231 persons) of the total number of admissions to vocational and professional training, of which admissions to training at vocational intermediate level consisted of 147,096 people and admissions to professional intermediate level consisted of 143,135 people.
- Admissions to vocational elementary training and under-three-month training accounted for 77.6% (1,836,012 persons) of the total number of admissions to vocational and professional training.

**Figure 4.1: Admissions in 2016**



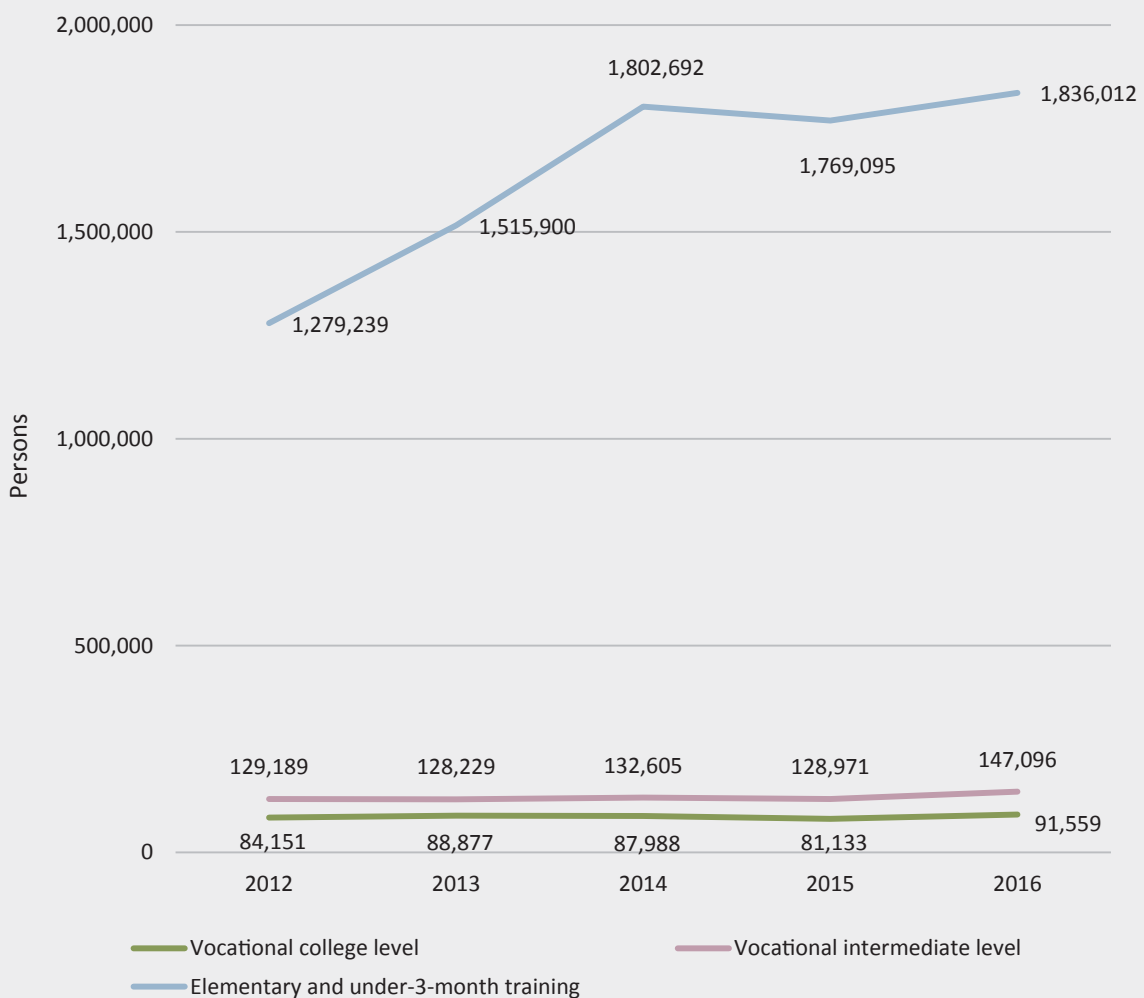
(Source: Department of Formal Training - DVET)

#### 4.1.2. Admissions to vocational college, intermediate, elementary levels and under-three-month training

According to the consolidated reports of DoLISA from 63 provinces, the total number of admissions to vocational college, intermediate, elementary levels and under-three-month training in 2016 consisted of 2,074,667 people (Figure 4.2), of which:

- Admissions to vocational college and intermediate training levels accounted for 12.0% (238,655 persons).
- Admissions to vocational elementary and under-three-month training accounted for 88% (1,836,012 persons).

**Figure 4.2: Admissions to vocational college, intermediate and elementary levels and under-3-month training during the period 2012-2016**



(Source: Department of Formal Training - DVET)

The admissions in 2016 accounted for 96.5% of the target defined in the annual plan of DVET, specifically, admissions to vocational college and intermediate training level reached 95.5% of the planned target, and admissions to vocational elementary and under-three-month training courses achieved 96.6% of the planned target. Overall, admissions to vocational training in 2016 increased by 4.8% (95,968 persons) compared with 2015.

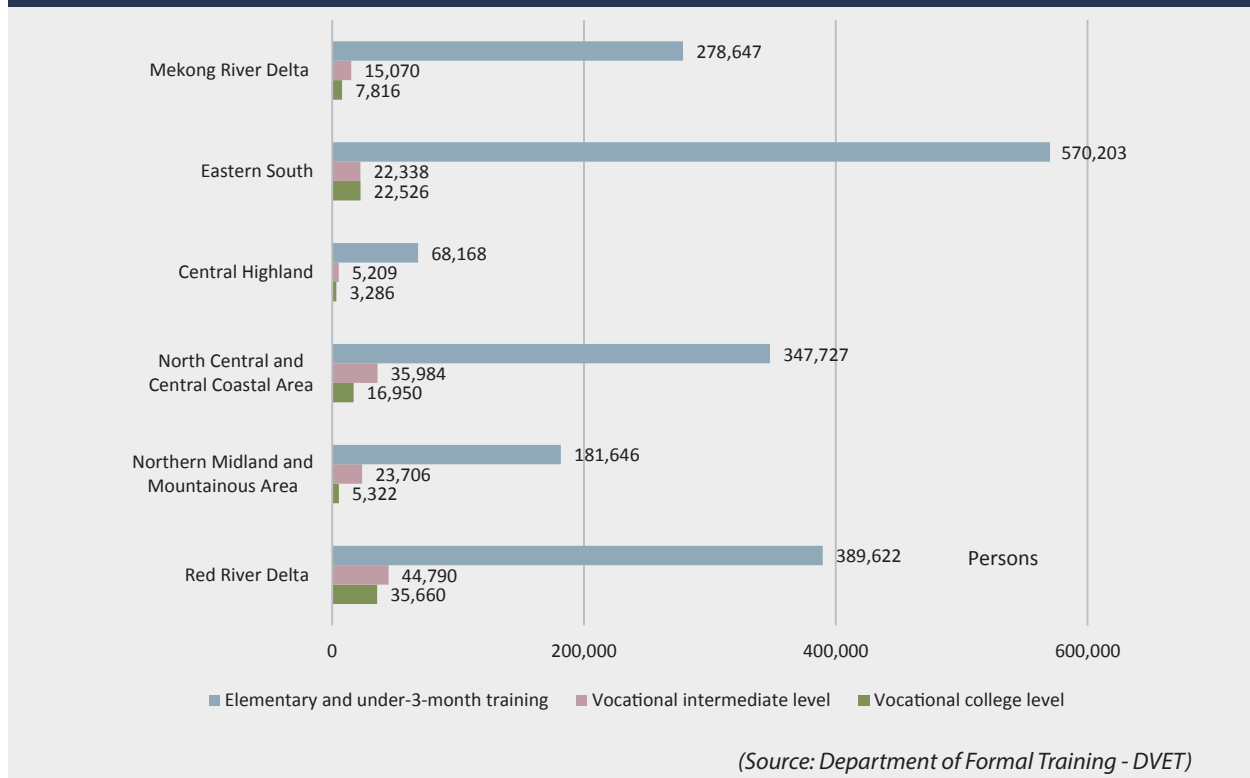
#### 4.1.3. Admissions to vocational college, intermediate and elementary levels and under-three-month training by socio-economic regions

Among different socio-economic regions in the country, admissions to vocational college and intermediate training levels in the Red River Delta in 2016 accounted for 34% (80,450 persons) of the total admissions to vocational college and intermediate training; admissions

to vocational college and intermediate training in the Northern Midland and Mountainous Area accounted for 12% (29,028 persons); in the North Central and Central Coastal Area: 22% (52,934 persons); in the Central Highland: 4% (8,494 persons); in the Eastern South: 19% (44,864 persons); and in the Mekong River Delta: 10% (22,886 persons).

Regarding admissions in different regions, admissions to elementary and under-three-month vocational training in the Red River Delta accounted for 21% (389,622 persons) of the total admissions to vocational elementary and under-three-month training in 2016; in the Northern Midland and Mountainous Area: 10% (181,646 persons); in the North Central and Central Coastal Area: 19% (347,727 persons); in the Central Highland: 4% (68,168 persons), in the Eastern South: 31% (570,203 persons); and in the Mekong River Delta: 15% (278,647 persons) (Figure 4.3).

**Figure 4.3: Admissions to vocational college, intermediate and elementary levels and under-3-month training by socio-economic regions in 2016**

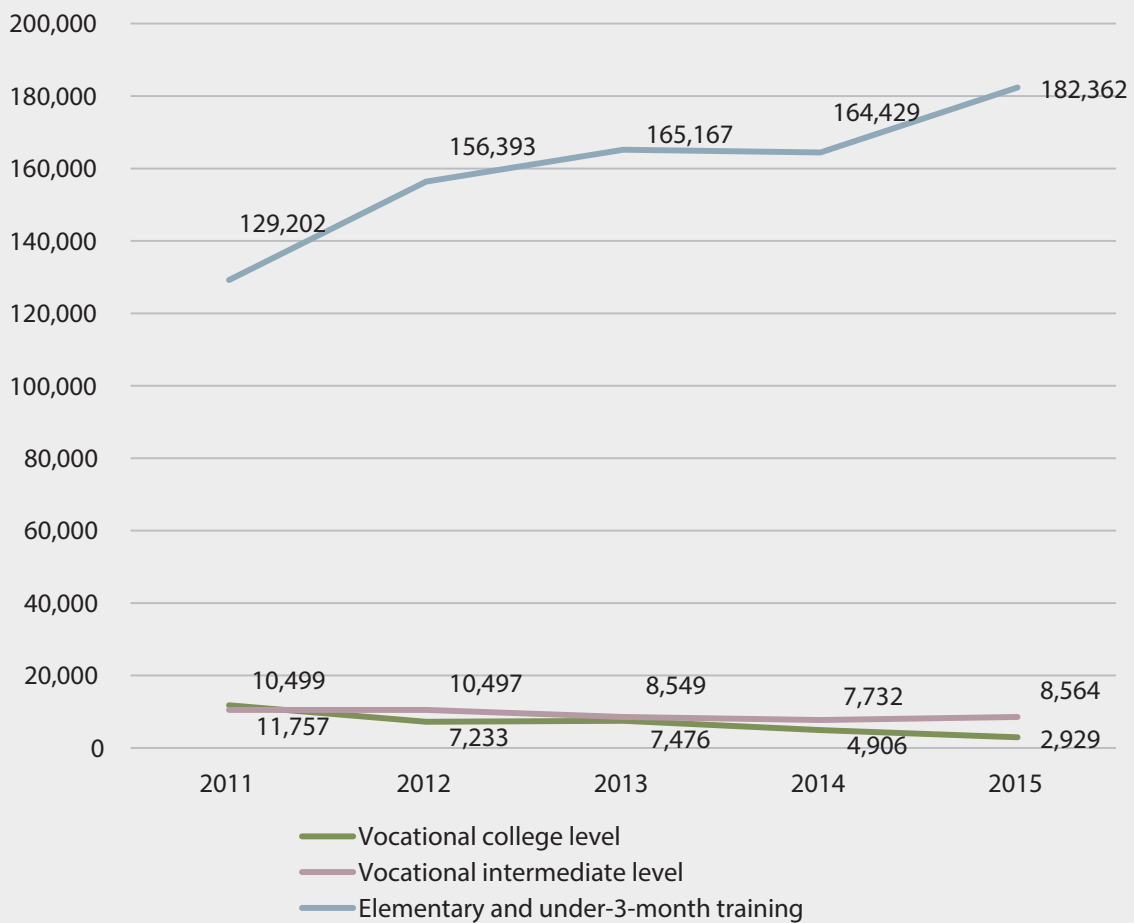


**4.1.4. Admissions to under-enterprise TVET institutes**

According to the data collected by NIVET from 163 out of 165 under-enterprise TVET institutes, the number of admissions to under-enterprise TVET institutes in 2015 consisted of 193,855 people, of which: admissions to

professional and vocational college training consisted of 2,929 people; admissions to professional and vocational intermediate training consisted of 8,564 people; and admissions to vocational elementary and under-three-month training consisted of 182,362 people (Figure 4.4).

**Figure 4.4: Admissions to under-enterprise TVET institutes during the period 2011-2015**

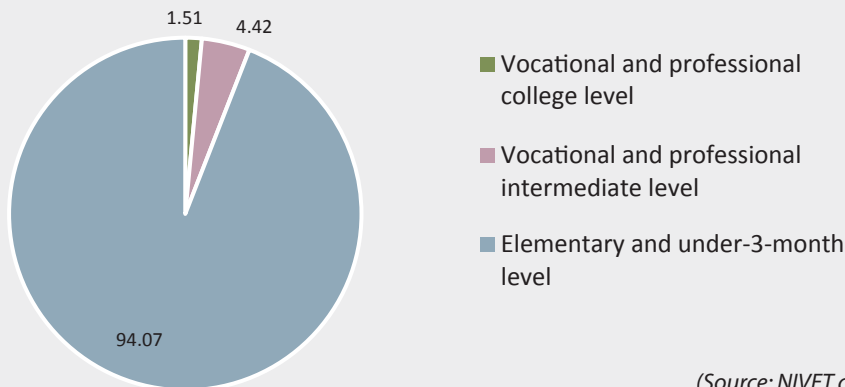


(Source: NIVET data collection)

In 2015, admissions to under-enterprise TVET institutes were mainly admissions to elementary training and under-three-month training (94.07%) while admissions to

professional and vocational intermediate level accounted for 4.42%; and admissions to vocational and professional college level accounted for 1.51% (Figure 4.5).

**Figure 4.5: Admissions to under-enterprise TVET institutes in 2015 (in %)**



(Source: NIVET data collection)

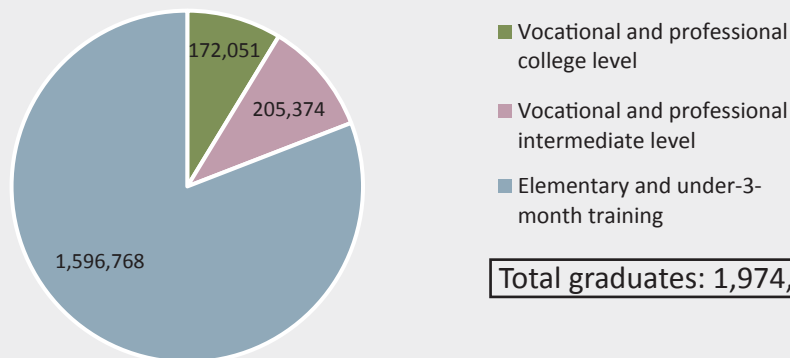
## 4.2. Graduation

### 4.2.1. General information on graduation

Graduation in 2016 include graduates from professional/vocational college, professional/vocational intermediate and elementary levels and under-three-month vocational training courses that totally consisted of 1,974,193 people (Figure 4.6), of which:

- The number of graduates from professional/ vocational college training accounted for approximately 8.7% (172,051 students) of the total number of graduates at all qualification levels, including 107,893 graduates from professional college and 64,158 graduates from vocational college training;
- Graduates from intermediate level accounted for 10.4% (205,374 students) of the total number of graduates at all qualification levels, including 99,454 graduates from vocational intermediate level and 105,920 graduates from professional intermediate level;
- Graduates from elementary and under-three-month vocational training courses accounted for 80.9% (1,596,768 students) of the total number of graduates at all qualification levels.

**Figure 4.6: Number of graduates by qualification levels in 2016**



(Source: Department of Formal Training - DVET)

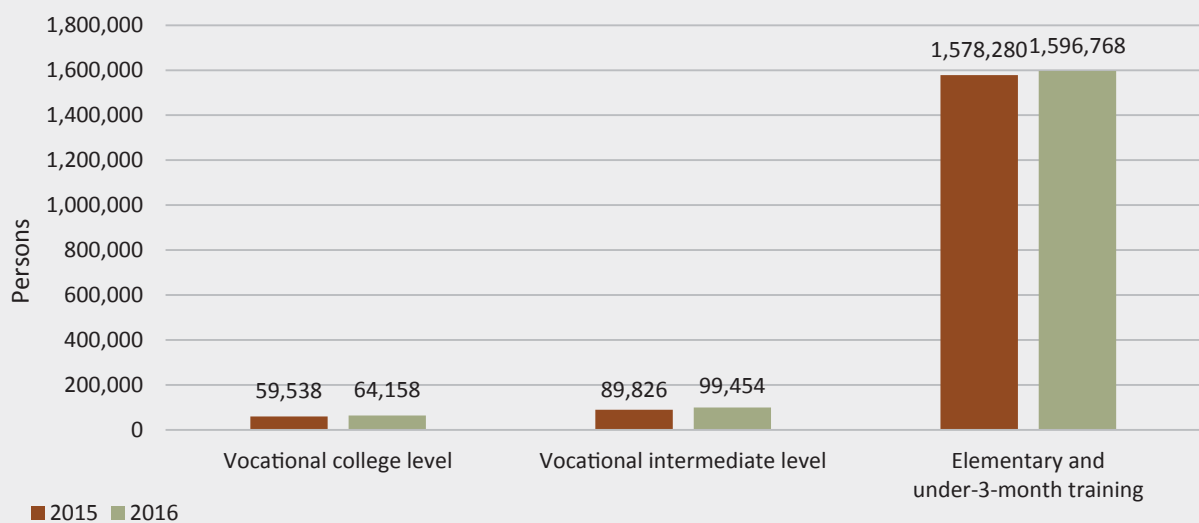
#### 4.2.2. Graduates from vocational college, intermediate, elementary levels and under-three-month training

According to the reports of DoLISA from 63 provinces, in 2016 a total of 1,760,380 people graduated from vocational training, of which: graduates from vocational college and vocational intermediate levels accounted for 9.3% (163,612 persons), of which: graduates from vocational college level accounted for 3.7% (64,158 persons); and graduates from vocational intermediate level accounted for 5.7% (99,454 persons). Graduates from elementary and under-three-month vocational

training courses accounted for 90.7% (1,596,768 persons) (Figure 4.7).

In general, the number of graduates from vocational college, intermediate, elementary levels and under-three-month training in 2016 increased compared with 2015, specifically the number of graduates from vocational college level increased by 7.8% (4,620 persons); graduates from vocational intermediate level increased by 10.8% (9,628 persons); graduates from elementary and under-three-month training courses increased by 1.2% (18,488 persons).

**Figure 4.7: Graduates from vocational college, intermediate and elementary levels and under-3-month training during 2015-2016**



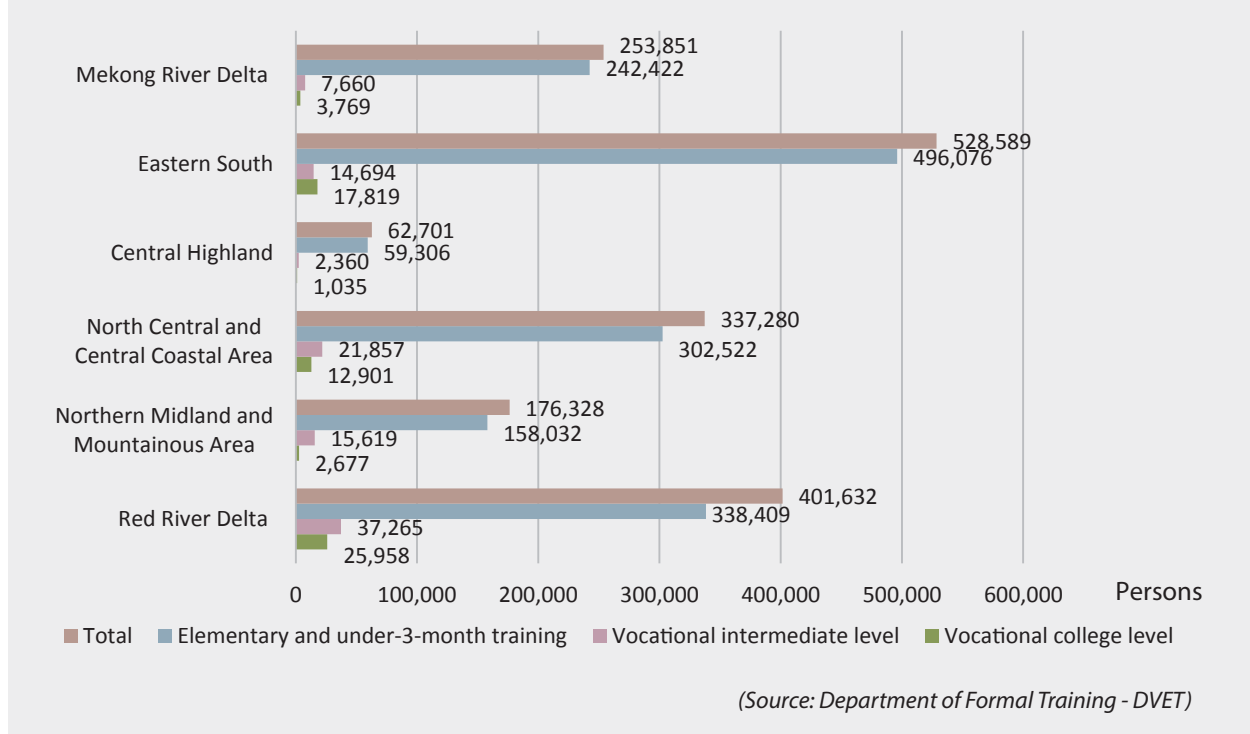
(Source: Department of Formal Training - DVET)

#### 4.2.3. Graduates from vocational college, intermediate, elementary levels and under-three-month training grouped by socio-economic regions

The number of graduates from vocational college, intermediate, elementary levels and under-3-month training in 2016 can be grouped by socio-economic regions as follows: 23% (401,632 persons) of the total number of vocational training graduates came from the

Red River Delta; 10% (176,328 graduates) came from the Northern Midland and Mountainous Area; 19% (337,279 graduates) came from the North Central and Central Coastal Area; 4% (62,701 graduates) came from the Central Highland; 30% (528,589 people) came from the Eastern South; and 14% (253,851 graduates) came from the Mekong River Delta (Figure 4.8).

**Figure 4.8: Graduates from vocational college, intermediate and elementary levels and under-3-month training grouped by economic regions**



#### 4.2.4. Job placement

According to the reports from DoLISA of 63 provinces, the percentage of students who found a job after graduating from vocational college and intermediate training in 2016 accounted for over 70%, specifically, the job placement rate of graduates from vocational college training accounted for 69% while the job placement rate of graduates from vocational intermediate training was 72%.

The top five technical and technology related occupations that had high rate of job placement were: welding (92%), industrial electricians (88%), metal cutting (86%), automotive technology (82%), refrigeration and air conditioning techniques (80%).

The TVET institutes with high job placement rate thanks to their high reputation in vocational training quality and good relationship with enterprises include: College of Technology No. 2, Vocational College LILAMA 2 and Vocational

College No. 1 under the Ministry of Defence with 100% job placement rate; Vung Tau Tourism College with 98.5% job placement rate; Vietnam - Singapore Vocational College with 98%; and Nghe An Tourism and Trade College had 96.4%, etc.

Regarding salary and income of graduates from vocational training: According to the reports from provincial DoLISAs, the average starting monthly salary was 4.2 million VND for vocational college graduates and 3.6 million for graduates from vocational intermediate training. Graduates of occupations that had relatively high monthly salaries were operators of inland waterway transport facilities (7 million VND per month) and crane operators (between 4-7 million VND per month).

#### Conclusion

In 2016 TVET, institutes defined enrolment and admission as a priority task that is vital for their



development. Therefore, efforts have been made to implement active and practical measures to promote the enrolment of young people in vocational training. These measures include: vocational training image campaigns, job counselling and career orientation for general secondary school students and their parents; establishment of a close linkage

between TVET institutes and businesses; job placement support for graduates; and improvement of training quality and TVET image building.

In 2016, admissions to vocational college, intermediate and elementary training and under-three-month courses increased compared with 2015.

## CHAPTER 5.

### TVET TEACHERS AND MANAGEMENT STAFF

*TVET teachers and management staff play a crucial role in the Vietnamese TVET system. This chapter provides information on TVET teachers and management staff in 2016. In this year, there was a big change in the system of TVET institutes due to the merger of the professional training institutes under MoET with the TVET institutes under MoLISA. In this context, the data reported on TVET teachers and particularly TVET management staff remain incomplete. This chapter also presents the statistical data on the teachers and management staff analysed by NIVET in 165 under-enterprise TVET institutes in 2017<sup>4</sup>.*

#### 5.1. TVET teachers and management staff

##### 5.1.1. Teachers in TVET institutes

The TVET teachers come from different backgrounds such as: graduates from technical education universities and technical education colleges; those with technical professional qualifications and trained with professional skills and pedagogy to become teachers, practice teachers who were skilled workers, artisans, etc. As a result, their qualifications and competence are different.

As of December 31, 2016, the statistics provided by DVET show a total number of 67,686 TVET teachers under the former MoLISA system which increased by 11.35% (6,902 persons) compared with 2015, of which: teachers working in TVET institutes accounted for 67.70% (45,824 persons) of the total

number of teachers. The number of teachers working in other training institutions which deliver vocational training accounted for 32.30% (21,862 persons). The number of teachers in public TVET institutes accounted for 61.43% (41,577 persons) of the total number of TVET teachers, of which female teachers accounted for 29.18% (19,749 persons), indicating an increase of female teachers of 19.74% compared with 2015. Permanent teachers accounted for 83.99% (38,486 persons). Teachers from the ethnic minority groups accounted for 2.63% (1,778 persons). Among teachers, the number of teachers at vocational colleges increased by 19.61% (3,725 persons). The number of teachers of vocational training centres increased by 16.10% (2,296 persons) (see Table 5.1).

**Table 5.1: Teachers at TVET institutes and other training institutions which deliver vocational training**

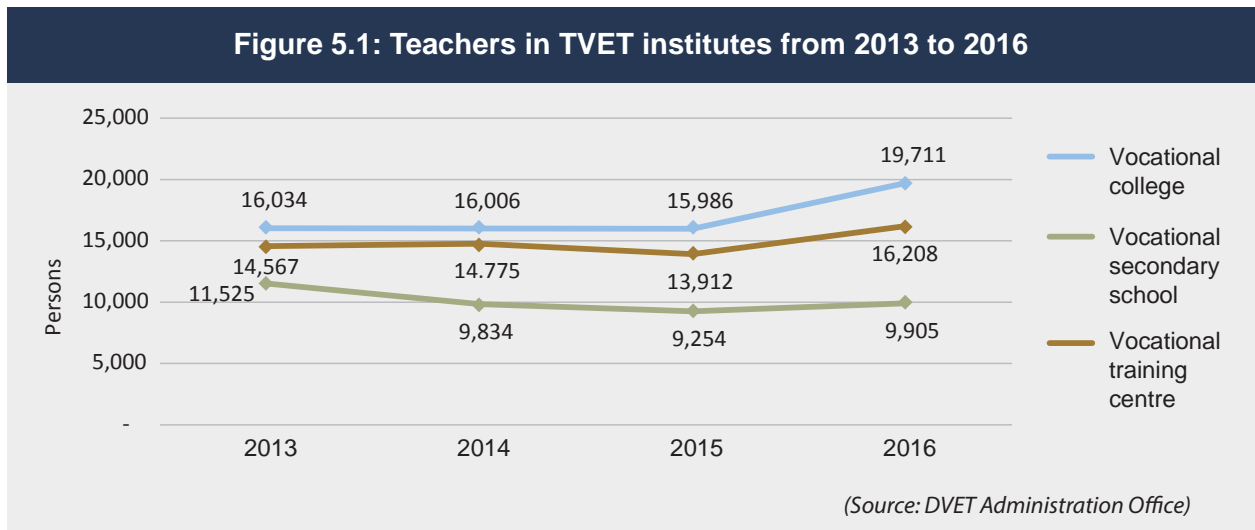
TVET institutes	2015			2016		
	Total (Person)	There of Female teachers (Person)	There of from public TVET institutes (Person)	Total (Person)	Thereof Female teachers (Person)	There of from public TVET institutes (Person)
Vocational colleges	15,986	4,725	14,339	19,711	6,055	15,816
Vocational secondary schools	9,254	2,205	6,664	9,905	2,926	6,325
Vocational training centres	13,912	2,646	7,386	16,208	3,480	6,622
<b>Total</b>	<b>39,152</b>	<b>9,576</b>	<b>28,389</b>	<b>45,824</b>	<b>12,461</b>	<b>28,763</b>
Other training institutions which deliver vocational training	21,632	7,164	14,867	21,862	7,288	12,814
<b>Total</b>	<b>60,784</b>	<b>16,740</b>	<b>43,256</b>	<b>67,686</b>	<b>19,749</b>	<b>41,577</b>

<sup>4</sup> Including 18 colleges, 83 VET schools and 34 other training institutions which deliver vocational training

The number of teachers in the system of TVET institutes declined slightly between 2013-2016 as follows: in 2013: there were 42,126 teachers; 2014: 40,615 teachers; 2015: 39,152 teachers (see Figure 5.1). However, in 2016, the number of teachers in all types of TVET

institutes increased. This was partly due to the merger of professional secondary schools and professional colleges under MoET with the vocational secondary schools and vocational colleges under MoLISA which took place in line with the implementation of the VET Law.

**Figure 5.1: Teachers in TVET institutes from 2013 to 2016**

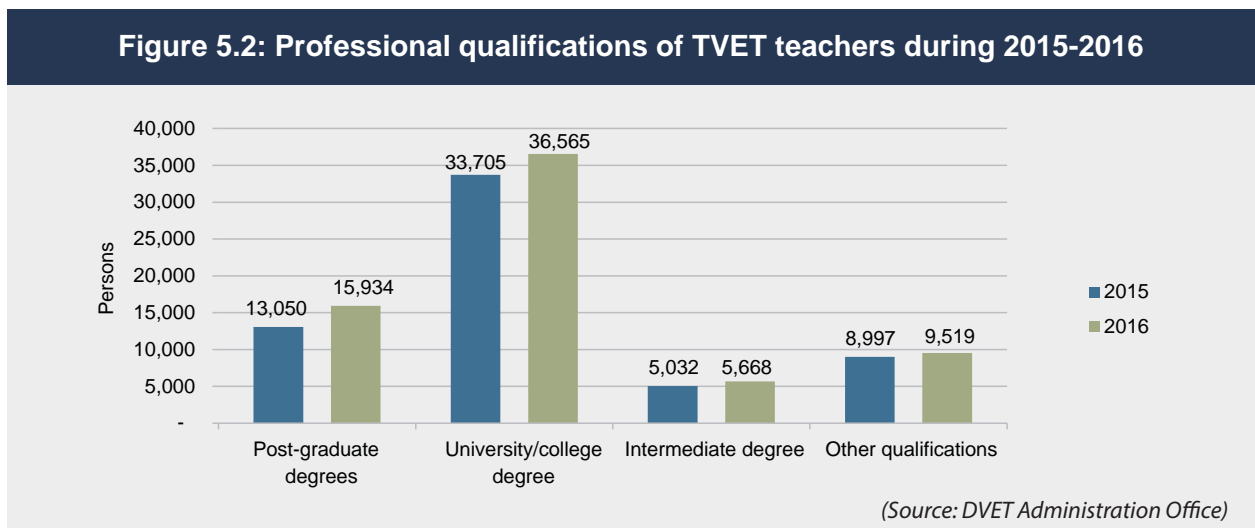


**5.1.2. Teachers’ professional qualifications/certificates**

In 2016, together with the increase in quantity, the teachers’ qualifications and teachers’ quality were also improved. Of the total number of teachers, those with master degree or higher degree accounted for 23.54% (15,934 teachers) which represented an increase by 15.83% (2,884 persons) compared with 2015. The number of teachers with university or college degree accounted for 54.02% (36,565

persons), which was in fact an increase compared with 2015 (33,705 persons). However, the percentage of teachers with university or college degree in the total number of TVET teachers was lower compared with 2015 (2015:55.45%, 2016:54.02%). Teachers with intermediate degree accounted for 8.37% (5,668 persons), which slightly increased compared with 2015 (5,032 persons). Teachers who had other qualifications accounted for 14.06% (9,519 persons) (Figure 5.2).

**Figure 5.2: Professional qualifications of TVET teachers during 2015-2016**



## 5.2. Teachers and management staff in under-enterprise TVET institutes

### 5.2.1. Teachers in under-enterprise TVET institutes

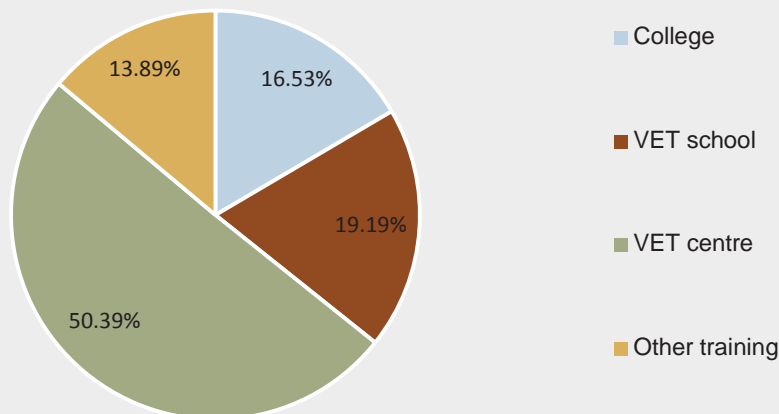
To obtain an overview of the situation of teachers and management staff working in under-enterprise TVET institutes, NIVET conducted a statistical analysis of 165 under-enterprise TVET institutes with a total of 7,911 teachers and 1,129 management staff.

Out of 7,911 teachers, 74.58% (5,900 persons) had a long-term contract (employment

contracts of minimum one year) while 25.42% (2,011 persons) were teaching associates and concurrent teachers.

Teachers who worked at colleges accounted for 16.53% of the total number of TVET teachers. Teachers who work at VET schools accounted for 19.19%; and teachers working at VET centres accounted for 50.39% (which was the highest percentage). Teachers in other training institutions which deliver vocational training accounted for 13.89% (Figure 5.3).

**Figure 5.3: Distribution of teachers in under-enterprise TVET institutes (in %)**



(Source: NIVET statistical analysis of under-enterprise TVET institutes)

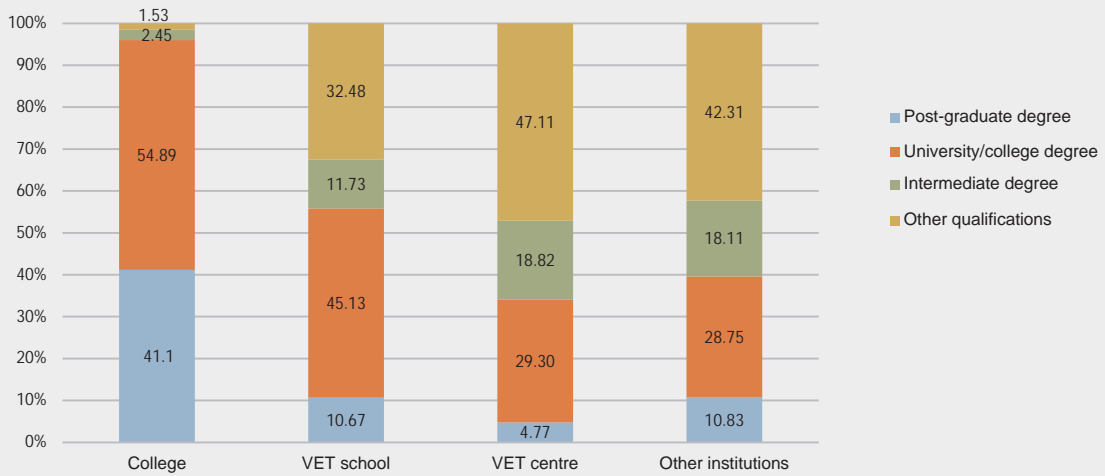
### Teachers' professional qualifications

Regarding the teacher's professional qualifications, according to the statistical analysis conducted by NIVET in 2017 among 7,911 teachers from 165 under-enterprise TVET institutes, 12.75% (1,009 teachers) had master degree or a higher qualification. Among different types of TVET institutes, colleges had the highest percentage of teachers with master degree or higher qualification, representing 40.1% of the total number of college teachers. Other training institutions which deliver vocational training

had 10.83% teachers with master degree or higher qualification; VET schools had 10.67% and VET centres had 4.77%.

College teachers with university/college qualification accounted for 54.89% of the total number of college teachers. VET school teachers with university/ college qualification accounted for 45.13% of the total number of VET school teachers. At VET centres, teachers with university/college qualification accounted for 29.30%. Other training institutions had 28.75% teachers with university/ college qualification (Figure 5.4).

**Figure 5.4: Qualification structure of teachers in under-enterprise TVET institutes (in %)**



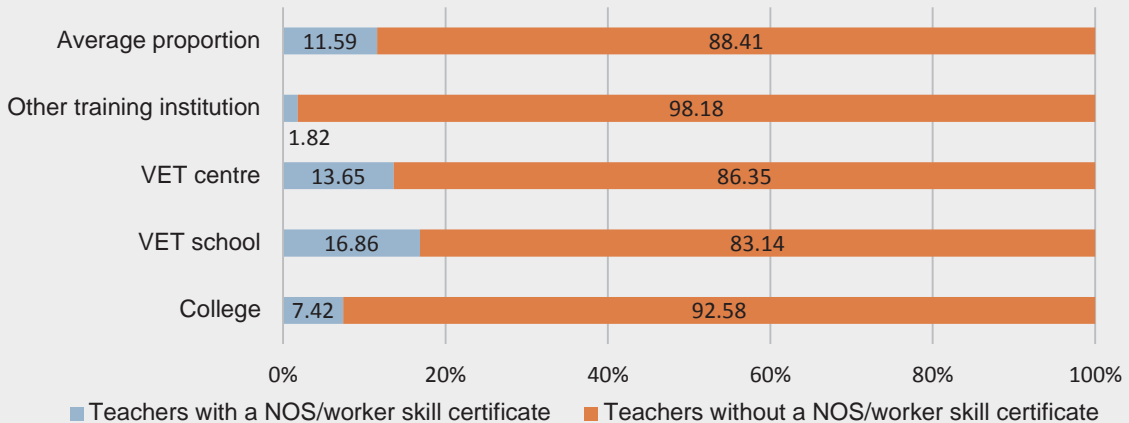
(Source: NIVET statistics analysis of under-enterprise TVET institutes)

**Teachers’ occupational skills**

Of 7,911 teachers in the under-enterprise TVET institutes, 11.59% (917 teachers) had certificates of national occupational skills (NOS) or skills certificates. Those without NOS certificate accounted for 88.41% (6,994 teachers). Among the under-enterprise

institutes, VET schools had the highest percentage of teachers who had obtained a NOS certificate (16.86%); VET centres had 13.65%; colleges: 7.42%; and other training institutions which deliver vocational training: 1.82%. These figures show that the percentage of teachers who did not take NOS exam was considerably high (Figure 5.5).

**Figure 5.5: Percentage of teachers holding a NOS certificate in under-enterprise TVET institutes (in %)**



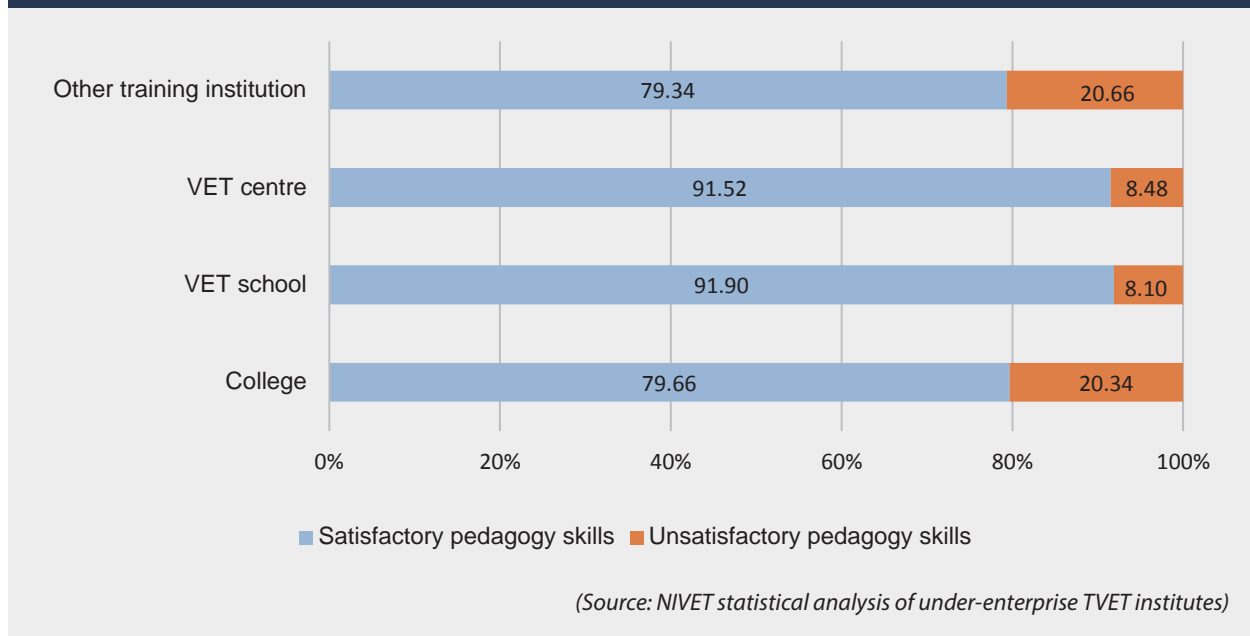
(Source: NIVET statistical analysis of under-enterprise TVET institutes)

### Vocational training pedagogy

The data analysis conducted by NIVET on under-enterprise TVET institutes shows that 87.94% (6,957 teachers) of the total number of 7,911 teachers in under-enterprise TVET institutes had obtained a satisfactory pedagogical skill certificate. The number of teachers with satisfactory pedagogical skill certificate

accounted for 12.06% (954 persons). In these TVET institutes, 79.66% of vocational college teachers had a satisfactory pedagogical skill certificate, in which the percentages of teachers with satisfactory pedagogical skill certificate in VET schools, VET centres and other training institutions which deliver vocational training were 91.90%, 91.52% and 79.34% respectively (Figure 5.6)

**Figure 5.6: Percentage of teachers holding a pedagogy certificate in under-enterprise TVET institutes (in %)**



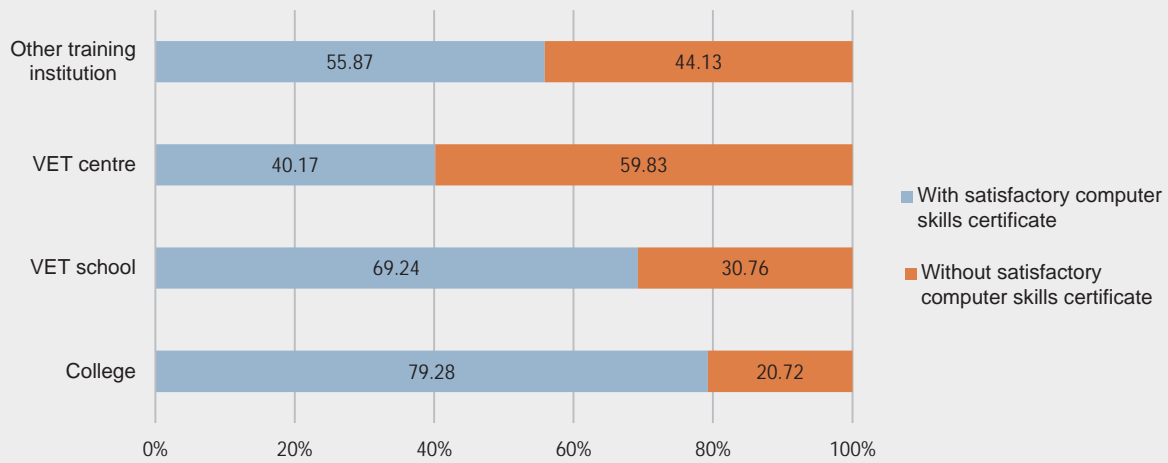
### Computer skills

Among 7,911 teachers in the under-enterprise TVET institutes, the number of teachers who had a computer skills certificate accounted for 54.39% (4,303 teachers). The number of teachers without satisfactory computer skill certificate accounted for 45.61% (3,608 teachers). Specifically: colleges had the highest percentage of teachers (79.28% of the total number of college teachers) with computer skill certificate; VET schools had

69.24%; other training institutions which deliver vocational training had 55.87%; and VET centres had the lowest percentage (40.17%).

Observations show that in the under-enterprise TVET institutes, the number of teachers without satisfactory computer skills was considerably high. This weakness has restricted the teachers from accessing to new technology updates and applying modern teaching methodology in these TVET institutes (Figure 5.7).

**Figure 5.7: Computer skills of teachers in under-enterprise TVET institutes (in %)**



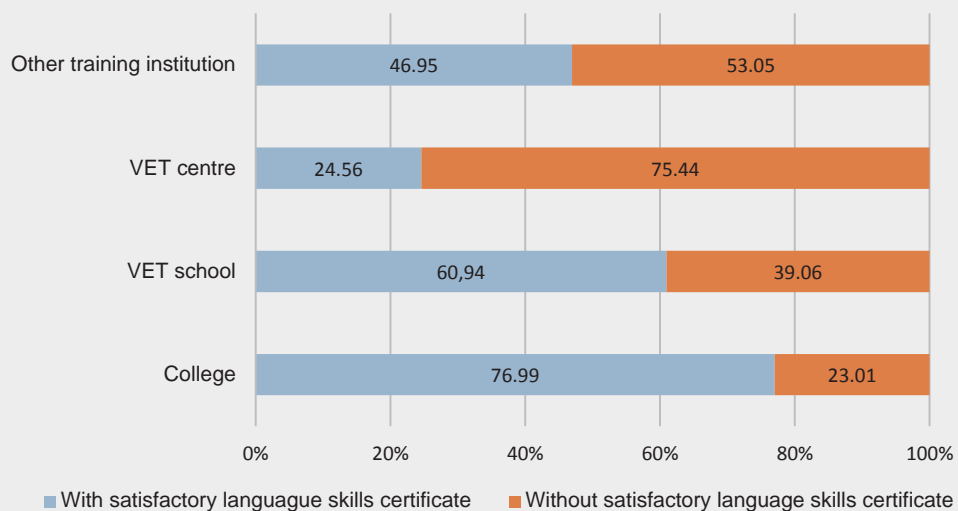
(Source: NIVET statistical analysis of under-enterprise TVET institutes)

### Foreign language competence

Among 7,911 teachers, the number of teachers who met foreign language skills standard accounted for 43.32% (3,427 persons) while the number of those who had not was rather high, accounting for 56.68% (4,484 teachers). Specifically, among the TVET institutes, VET centres had the highest number of teachers

who had not met foreign language skills standard (75.44%); while other training institutions which deliver vocational training had 53.05%; VET schools had 39.06%; and colleges had 23.01% (Figure 5.8). Weak foreign language skills will restrict the performance of the teachers in these TVET institutes, especially in the context of intensive ASEAN and international integration.

**Figure 5.8: Foreign language skills of teachers in under-enterprise TVET institutes (in %)**



(Source: NIVET statistical analysis of under-enterprise TVET institutes)

### Box 5.1: Duration of TVET staff internship at enterprise

The surveys conducted in 2017 by NIVET at 88 TVET institutes and by VCCI and NIVET at 79 enterprises show that:

Out of 88 TVET institutes, the number of TVET institutes that sent their staff to enterprises for internship accounted for 71.59% (63 TVET institutes); the number of TVET institutes which did not send their staff to enterprises for internship accounted for 28.40% (25 TVET institutes). There were three different internship lengths in enterprises: less than 10 days (31.43%), between 10-30 days (40%) and over 30 days (28.57%).

Out of 79 enterprises, 29 enterprises (36.70%) said they were ready and 50 enterprises (63.29%) said they were not ready to receive TVET teachers for internship, 9 enterprises sent their staff to TVET institutes to deliver training. 20 enterprise staff in total were sent by their enterprises to TVET institutes to deliver training courses which were shorter than 10 days.

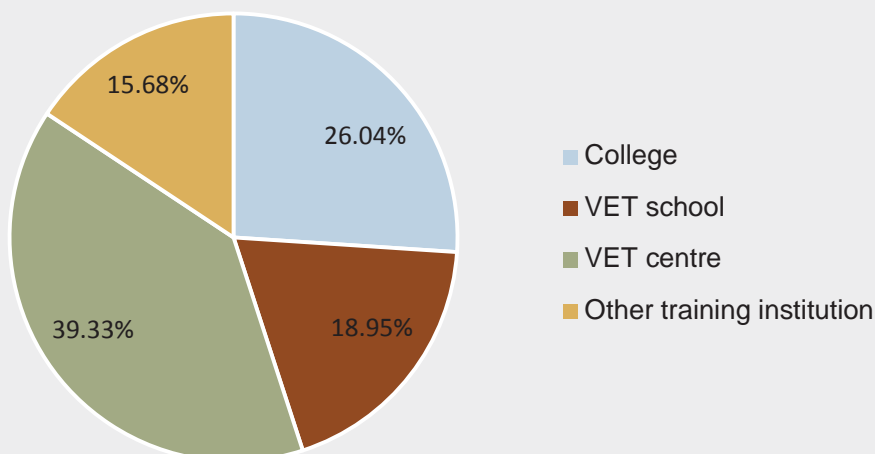
(Source: NIVET survey of TVET institutes and VCCI and NIVET enterprise survey)

#### 5.2.2. Management staff in under-enterprise TVET institutes

Out of the total of 1,129 management staff in the under-enterprise TVET institutes, 26.04%

worked in colleges, 18.95% worked in VET schools, 39.33% worked in VET centres and 15.18% worked in other training institutions (Figure 5.9).

Figure 5.9: Location of management staff in under-enterprise TVET institutes (in %)



(Source: NIVET statistical analysis of under-enterprise TVET institutes)



## Conclusion

As of December 31, 2016, the number of teachers had increased rapidly in the TVET system, reaching 67,686 persons compared with 2015 (60,784 persons). The level of qualifications of teachers was also improved. The percentage of teachers with master degree and above in the total number of TVET teachers increased by 2.07% compared with 2015. In 165 under-enterprise TVET institutes, the number of teachers with college qualification and above accounted for 49.25%. The percentage of teachers with pedagogical skill certificate was 87.94%. However, the teachers'

occupational skills, computer skills and foreign language skills remained weak.

The reported data on TVET teachers and particularly TVET management staff in 2016 remained incomplete. Thus, establishment of a comprehensive statistical system to collect data on the teachers and management staff of TVET institutes plays an important role in monitoring and managing the TVET teachers and manage staff. A holistic system of data collection of the TVET teachers and manage staff will also contribute to improving the quality of TVET reporting.

## CHAPTER 6.

# NATIONAL OCCUPATIONAL SKILLS STANDARDS, ASSESSMENT AND CERTIFICATION OF NATIONAL OCCUPATIONAL SKILLS

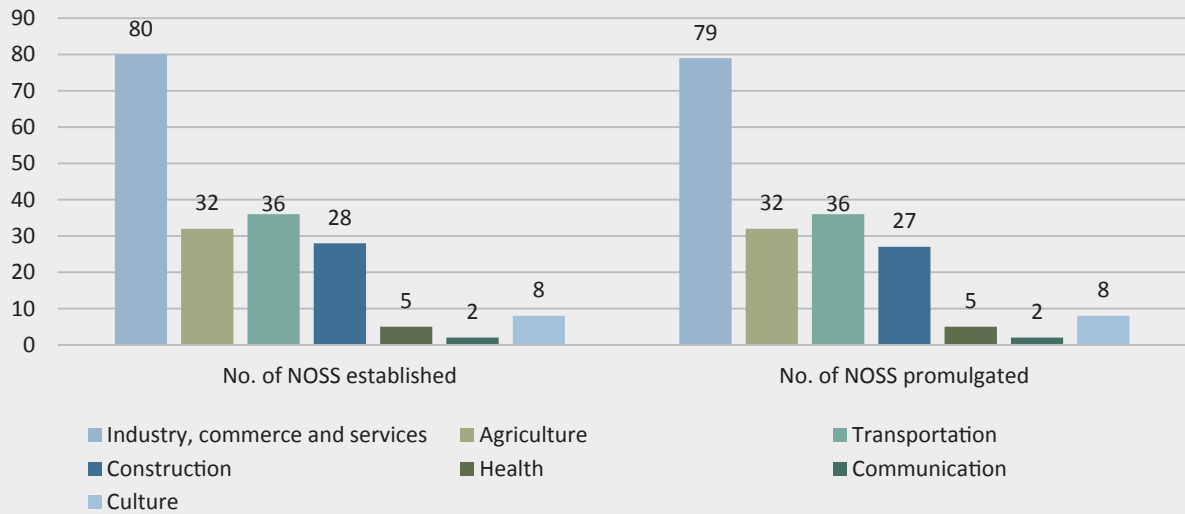
*National Occupational Skill Standards (NOSS) are of importance for curriculum development. They can be used as a basis to define practice-oriented learning outcomes for TVET institutes to develop demand-driven training programmes and improve market-oriented training quality. The assessment and certification of national occupational skills (NOS) is aimed at recognising the workers' occupational skills and thereby helping workers improve their knowledge and skills to meet the job requirements. NOS assessment and issuance of NOS certificates plays an especially important role in improving workers' access to the regional and international labour market in the frame of ASEAN integration. This chapter provides an overview of the situation of NOS development and promulgation and NOS assessment and certification in 2016.*

### 6.1. National Occupational Skills Standards

Since 2015, the NOSS development and assessment is regulated by the Law on Employment (formerly this was regulated by the Law on Vocational Training). The Government issued Decree No. 31/15/ND-CP to specify the articles in the Law on Employment related to NOS assessment and certification. NOSS development is regulated in Circular No. 56/2015/TT-BLDTBXH dated 24/12/2015 and effective from 15 February 2016. According to this Circular, NOSS development is guided by ministries, ministry-level agencies and Government agencies depending on their respective field of management. MoLISA monitors the process of NOSS development, appraisal and promulgation. Representatives from

enterprises should be involved in the entire process of NOSS development, and they should constitute of more than 50% of the NOSS development steering committee members.

In 2016, two NOSS were developed, including NOSS for Front Desk Staff and NOSS for Housekeeper (in Hotel industry), by the Ministry of Culture, Sports and Tourism according to the Law on Employment and the guiding documents. These NOSS have been appraised by MoLISA to be promulgated in 2017. Therefore, the reported results of NOSS development and issuance for the years from 2008 to 2015 remained the same in 2016 with 191 NOSS developed and 189 NOSS promulgated (see Figure 6.1).

**Figure 6.1: Number of NOSS established and promulgated in 2016 by sectors**

(Source: Department of Occupational Skills, DVET)

NOSS have been developed for eight years, but an enterprise survey conducted jointly by NIVET and VCCI shows that not every enterprise knows about NOSS. Only 46% (36 enterprises) out of 79 surveyed enterprises knew about NOSS (see Box 6.1). This implies

the need to improve communications about NOSS and, at the same time, issue NOSS compliance regulations to raise enterprises' awareness of NOSS and to promote the application of NOSS to a wider and more effective extent.

### Box 6.1: Findings from an enterprise survey on NOSS

1. According to the survey conducted by NIVET and VCCI in 2017, about 54% of the interviewed 79 enterprises do not know about the NOSS.
2. The enterprises evaluated their satisfaction about the content of the promulgated NOSS as follows: 39% enterprises evaluated as relatively good, 19% as satisfactory, 14% as good, 25% as partly satisfactory, and 3% as totally unsatisfactory.

(Source: NIVET and VCCI enterprise survey, 2017)

## 6.2. NOS assessment and certification

### 6.2.1. NOS assessment tests development

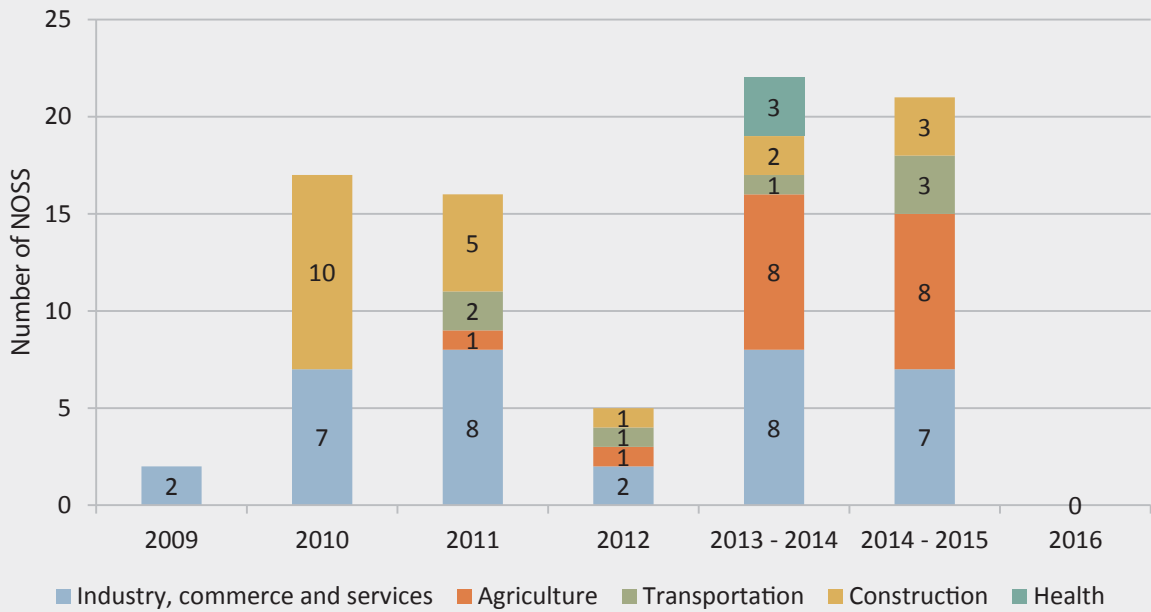
The compilation of NOS examination for workers has been conducted since 2009. In 2016, MoLISA issued Circular No. 19/2016/TT-BLDTBXH dated 28/6/2016 to provide guidelines on the implementation of Decree

No. 31/2015/ND-CP dated 24/3/2015 on NOS assessment and certification regulated in the Law on Employment (see Chapter 1). Hence, NOS examination compilation was temporarily postponed due to the need to adjust the guidelines on the implementation of new regulations in this area and due to the lack of financial resources. By the end of 2016, NOS

examinations had been compiled in 83 occupations. Out of these, 62 occupations had NOS examination deployed. The remaining NOS examination for 21 occupations had not

been appraised for promulgation since the national occupational skills standards (NOSS) for these occupations were only developed during 2014-2015 (see Figure 6.2).

**Figure 6.2: Number of NOS examination compiled during 2009 – 2016 (by sectors)**



(Source: Department of Occupational Skills, DVET)

**6.2.2. National occupational skills assessment**

An NOS assessment agency shall be granted with a license for NOS assessment and certification (hereinafter called as certificate) if it can satisfy the requirements of infrastructure, human resources and financial resources. This license shall be issued by MoLISA. According to a new regulation, starting from 2015, NOS assessment licenses are no longer time-bound. However, NOS assessment agencies may be subject to a temporary suspension of operation or withdrawal of license if they violate the legal regulations (see Article 8, Chapter II, Decree No. 31/2015/ND-CP). The conditions and procedures for NOS assessment and

certification are defined in Decree No. 31/2015/ND-CP providing for NOS assessment and certification in the Law on Employment.

By 2016, 31 agencies had been granted with an NOS assessment license. No license was issued in 2016. The number of NOS assessment agencies decreased by five agencies compared with 2015 (in 2015: 36 NOS assessment agencies) because some assessment agencies could not satisfy the requirements for renewing their licence. Most assessment agencies are established in universities, colleges or VET schools (see Table 6.1).

Table 6.1: List of institutes that have been licenced as NOS assessment agency

No.	Institutes licensed as NOS assessment agency	No.	Institutes licensed as NOS assessment agency	No.	Institutes licensed as NOS assessment agency
1	Viet Nam Mining Vocational College (Hong Cam Mine Vocational College-Vinacomin)	12	Hanoi University of Industry	23	Nguyen Tat Thanh University
2	Hung Vuong Secondary Vocational School of Technology	13	Vinh University of Technical Education	24	Tuyen Quang Vocational College of Technology
3	Lilama 2 Vocational College	14	Nam Dinh University of Technical Education	25	Vocational College No.1 – Ministry of Defence
4	Vocational College of High Technology Dong An	15	Vocational College of Technology (Centre of High Automotive Technology)	26	Vocational College No.3 – Ministry of Defence
5	Hanoi Vocational College of Electronics and Mechanics	16	Vinh Phuc Vocational College (Viet Nam-Germany Vocational College)	27	Construction Vocational College No.2
6	Hanoi University of Industry	17	National Vocational College of Transportation II	28	Dak Lak Vocational College
7	Ho Chi Minh City Vocational College of Technology	18	Chu Lai - Truong Hai Vocational College	29	Dung Quat Vocational College of Technology
8	Hanoi Industrial Vocational College Vietnam-South Korea	19	Son La Vocational College of Technology	30	Southern Vocational College of Technology, Agriculture and Forestry
9	Vocational College LILAMA 1	20	Da Nang Vocational College	31	Da Lat Vocational College
10	Long Bien Vocational College	21	Vocational College No.5 - Ministry of Defence		
11	Vinh Long University of Technical Education	22	Kien Giang Vocational College		

(Source: Department of Occupational Skills, DVET)

The result of a survey of 31 NOS assessment agencies conducted by the TVET report 2016 research team from NIVET shows that licensed NOS assessment agencies often invite assessors from enterprises to work together with their assessors in NOS assessment. This fact indicates a linkage and close cooperation between NOS assessment agencies and

enterprises to assure the quality and reliability of NOS certification.

### **6.2.3. Training, further training and certification of NOS assessors**

An NOS assessor is someone who assesses/examines the occupational skills of the worker who takes the NOS exam. An NOS

assessor is granted an NOS assessor's licence which MoLISA is the authorised agency to issue, re-issue, cancel and withdraw. An NOS

assessor should meet defined requirements to be certified with a licence (see Box 6.2)<sup>5</sup>.

### Box 6.2: Requirements for a certified NOS assessor

A certified NOS assessor who is granted with a licence should meet the following requirements:

- a) Be aware of and able to perform civil rights and responsibilities.
- b) Meet at least one of the requirements of occupational qualification and professional experience as defined in clause 2, 3, 4, 5 and 6 of Article 11, Decree No. 31.
- c) Have completed a training course on NOS assessment.

(Source: Decree No. 31/2015/ND-CP)

The training of the NOS assessors has been conducted by DVET since 2009. However, in 2016, there was no NOS assessor training and certification due to financial shortage. By the end of 2015, a total of 1,785 assessors had been trained and 120 people had been certified with an NOS assessor licence.

#### 6.2.4. NOS assessment and certification

Workers from all economic sectors have the right to register for an NOS exam. Depending on their competence, workers can register for an NOS exam from level 1 to level 5<sup>6</sup>. The conditions to register for NOS exam are defined in Item 3, Article 16 of Decree No. 31/2015/ND-CP dated 24/3/2015 and Circular No. 19/2016/TT-BLDTBXH dated 28/6/2016 (see Chapter 1 of this report).

MoLISA assists the Government in the management of NOS assessment and certification. NOS assessment/examination is organised annually with the schedule announced by MoLISA in late December of the previous year. NOS assessment of skills level 3 and above is organised four times a year, and NOS assessment of skills level 1 and level 2 is organised several times a year.

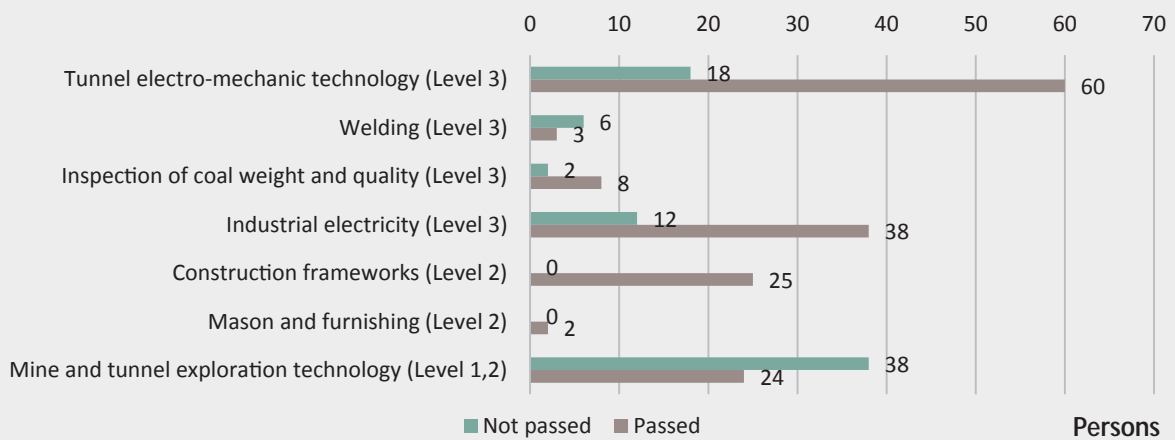
NOS assessment has been applied since 2011. By 2016, authorisation for NOS assessment and certification has been granted to a total number of 42 occupations (see the list of occupation in Appendix 2). In 2016, seven occupations were assessed (including: construction frameworks, industrial electricians, inspection of coal weight and quality, welding, mine and tunnel electro-mechanic technology, mine and tunnel exploration technology, mason and furnishing). The assessment was conducted by two assessment centres which belong to the Vietnam Coal and Mine Corporation (Hong Cam Vocational College-Vinacomin and Construction Vocational College No 2). Three occupations were assessed under Japanese standards<sup>7</sup> (i.e. milling, turning and installation of communication cable networks). A tool kit for occupational skills assessment was developed by Japanese experts (based on the Japanese standards) in the framework of the cooperation project of DVET, Japan International Cooperation Agency (JICA) and the Japanese Ministry of Health, Labour and Welfare. In 2016, NOS exams were taken by 236 workers, out of which 160 workers (67.8%) passed the exam (Figure 6.3).

<sup>5</sup> Specific provisions are given in Article 11, Item 2, Decree No. 31/2015/ND-CP and Circular No. 19/2016/TT-BLDT-BXH dated 28/6/2016 issued by MoLISA

<sup>6</sup> For definition of each level, please refer to VET Report 2015 or Circular No. 56/2015/TT-BLDTBXH dated 24/12/2015

<sup>7</sup> Nationwide recognised standards in Japan

Figure 6.3: Results of NOS assessment in 2016



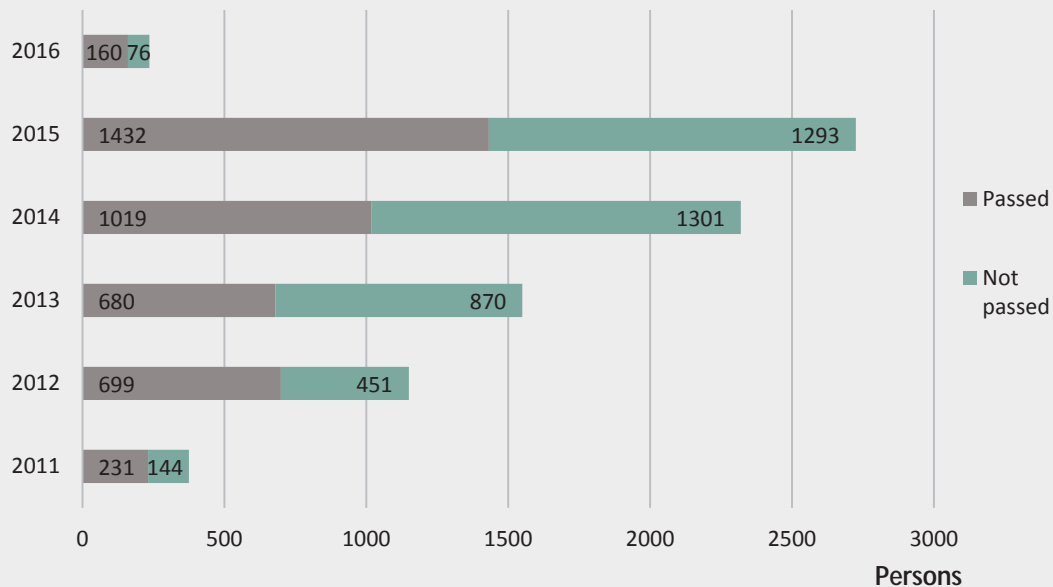
(Source: Department of Occupational Skills, DVET)

By the end of 2016, NOS examinations were conducted for a total of 8,356 workers, of which the number of workers who passed the exam accounted for 50.5% (4,221 persons). This rather low pass rate could be explained by the reason that NOS assessment/examination was still a new practice for the workers, and they were not familiar with this assessment approach. The NOS exam pass rate in 2013

and 2014 was the lowest, representing 43.9%. The NOS exam pass rate achieved in 2016 was the highest (67.8%) (see Figure 6.4).

The number of workers who participated in NOS assessment was still limited. Many NOS assessment agencies did not organise any NOS examination during the year.

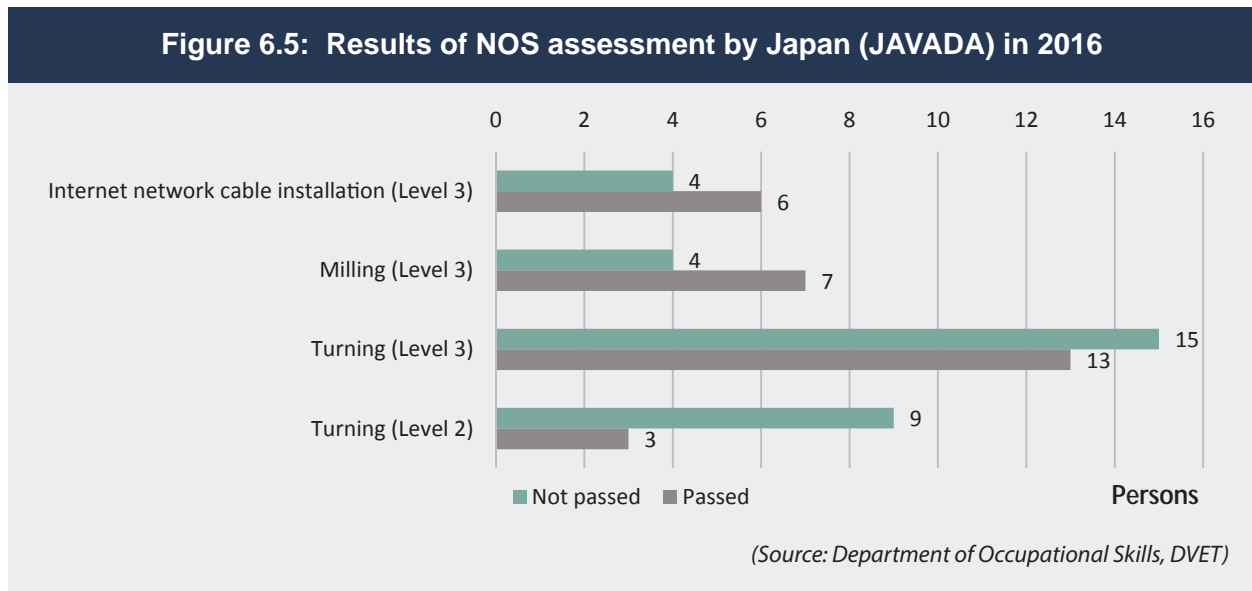
Figure 6.4: NOS assessment results during 2011-2016



(Source: Department of Occupational Skills, DVET)

In 2016, in the framework of the cooperation project of DVET, JICA and the Japanese Ministry of Labour, Labour and Welfare, 61 workers participated in the skills exam

according to Japanese standards, of which the number of people who passed the exam accounted for 47.5% (29 persons) (see Figure 6.5)



There is no guideline on the fee for NOS examination. According to the survey conducted by NIVET, in the NOS assessment agencies that are supported by development projects, NOS exam takers do not have to pay any examination fees, while in the ones that are not financially supported, the exam takers have to pay an examination fee of VND1,500,000-VND3,500,000 depending on the occupation.

According to the feedback from the NOS assessment agencies, workers are not really interested in NOS exam as NOS certificate is not mandatory in the job requirements. At present, the new Decree No. 31/2015/ND-CP only specifies a list of jobs that directly affect the safety and health of the workers or the community where an NOS certificate is required (Article 28, Chapter III, Decree No. 31/2015/ND-CP).

**Box 6.3: Jobs which require an NOS certificate**

Jobs which directly affect the safety and health of workers or community include:

- Jobs which are specified in the list of extremely heavy, hazardous or dangerous jobs.
- Jobs where workers shall affect the safety of the community or the health of others when performing their work.

(Source: Decree No. 31/CP dated 24/3/2015)



### 6.2.5. Recommendations from NOS assessment agencies for more efficient and practical implementation of NOS assessment<sup>8</sup>

- It is necessary to adopt the requirement for NOS certification for people who work in enterprises. MoLISA should issue, on an annual basis, an updated list of occupations which require NOS assessment that should be used by the employers.
- The Government should adopt an incentive salary and wage policy for workers who hold an NOS certificate based on the national qualifications framework;
- It is important to allocate NOS assessment agencies reasonably by areas and avoid issuing license for NOS assessment agencies that do not have sufficient facilities to conduct NOS assessment properly.
- It is important to improve NOSS quality and NOS tests banks to ensure NOS assessment quality so that enterprises can employ workers with NOS certificate.
- It is necessary to raise the employees' and enterprises' awareness of the benefits of NOS assessment. In the market economy, workers must have evidence for their skills. The assessment and recognition of occupational skills will provide an opportunity for workers to access the labour market in ASEAN countries.
- It is important to conduct surveys of NOS assessment agencies and enterprises which can be used for further improvement of the framework of NOS certificates and adopt legal guidelines for the improvement of NOSS, NOS test items and assessment criteria.

### Conclusion and recommendations

NOSS are of importance for all stakeholders in vocational education and training. NOSS can

be used by employers as a reference for recruitment, job allocations and appropriate salaries for workers. NOSS can also help workers improve their knowledge and skills. They play an important role in curriculum development and should be used as a basis for defining practice-oriented learning outcomes for TVET institutes, developing market-oriented training programmes and improving training quality.

The development of national occupational skills standards and national occupational skills assessment has been implemented for more than five years. Along with the achievements, there are many challenges which should be addressed, specifically:

- It is important to develop policies specifying the rights and responsibilities of enterprises in NOSS establishment and NOS assessment;
- NOS certificate should be mandatory, especially for hazardous, dangerous or environmentally hazardous jobs;
- The Government should adopt a specific incentive salary and wage policy for people who have NOS certificate at specific skills levels;
- NOSS development should be mainly implemented by enterprises and employers via the Sector Skills Councils;
- NOS assessment is a new practice for the Vietnamese workers; therefore, the number of workers who take NOS exam is still limited. Workers and enterprises do not have much knowledge about NOS assessment. Therefore, it is necessary to have promotion and communications activities to raise their awareness of the purpose, the procedures and the benefits of NOS assessment/examination.

<sup>8</sup> Recommendations made from the survey of 31 NOS assessment agencies conducted by the NIVET team for VET report 2016

## CHAPTER 7.

### ACCREDITATION AND QUALITY ASSURANCE

*Quality accreditation is an important tool to improve the training quality according to the set objectives and to strengthen the training quality management system in TVET institutes. Accreditation is also a tool for TVET management agencies to effectively monitor a demand-driven TVET system.*

*Although the VET Law has been effective since 2015, guidelines on the implementation of the VET Law (including regulations for accreditation of training quality) are still in the drafting and promulgating process. Therefore, in 2016, accreditation and quality assurance practice continued to follow the provisions of the Law on Vocational Training of 2006. This chapter only presents the data of 2016 on the quality assurance and accreditation provided by the TVET institutes under MoLISA. Furthermore, in 2016 DVET did not conduct accreditation of TVET institutes, thus this chapter only gives an overview of the situation of self-accreditation of TVET institutes.*

#### 7.1. Self-accreditation of TVET institutes

According to the VET Law, accreditation of vocational training quality aims at: a) VET quality assurance and quality improvement and b) Assessing and determining the level of achievement of training objectives of TVET institutes or training programmes.

The results of VET quality accreditation can be used to assess the training quality of TVET institutes. These results will help trainees choose suitable TVET institutes and training programmes, employers to make recruitment decisions and the Government to make decisions on investments, bidding, training orders and task assignments to TVET institutes. Accreditation of vocational training quality includes self-accreditation of the vocational training quality at TVET institutes and external accreditation conducted by VET accrediting agencies.

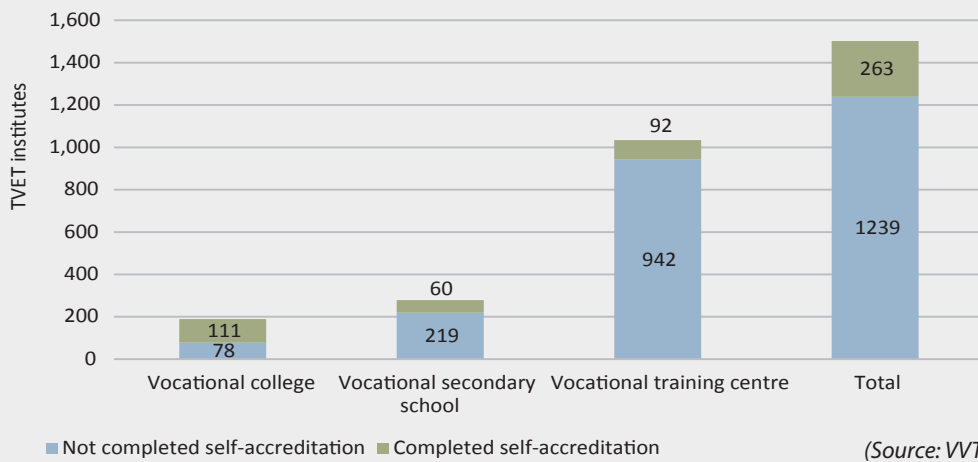
As of 31/12/2016, there were 263 of 1,502 TVET institutes (under MoLISA) that conducted

self-accreditation of vocational training quality and submitted the results for 2016, which accounted for 17.51% of the total number of TVET institutes nationwide.

The number of public TVET institutes that conducted self-accreditation accounted for 24.6% (248 TVET institutes) of the total of 1,010 public TVET institutes; and the number of non-public TVET institutes that conducted self-accreditation accounted for 3% (15 TVET institutes) of the total of 492 non-public TVET institutes.

The number of vocational colleges that conducted self-accreditation accounted for 58.7% (111 colleges) of the total number of vocational colleges; self-accredited vocational secondary schools accounted for 21.5% (60 schools) of the total number of vocational secondary schools; and self-accredited vocational training centres (VTC) accounted for 8.9% (92 VTC) of the total number of VTC (Figure 7.1).

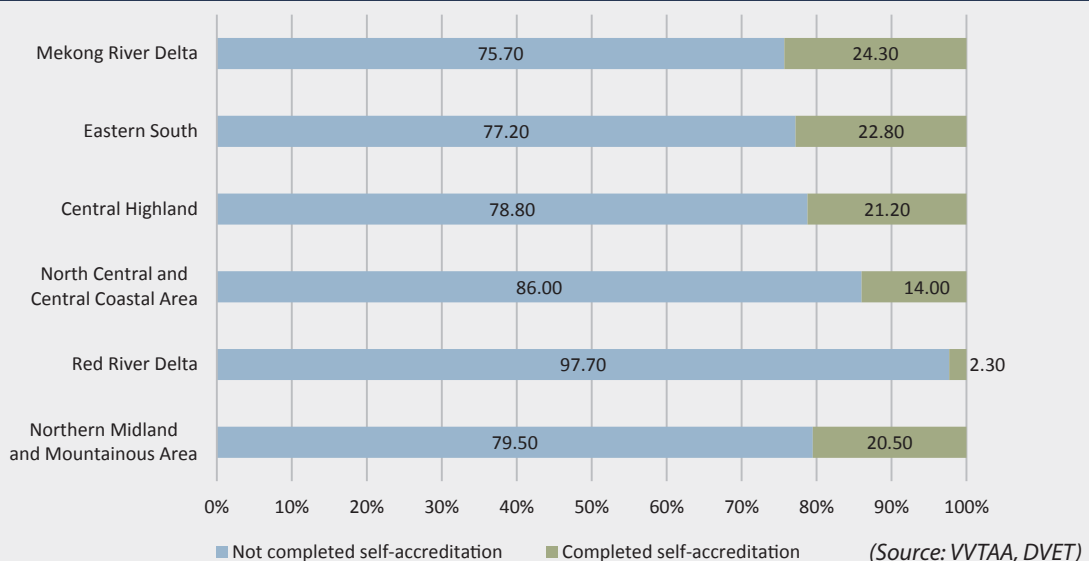
**Figure 7.1: Number of TVET institutes that completed self-accreditation in 2016**



Regarding socio-economic regions, the number of TVET institutes which conducted self-accreditation in 2016 were recorded as follows:

- In the Red River Delta: 53 out of the total number of 432 TVET institutes located in the area (accounting for 2.3%)
- In the Northern Midland and Mountainous Area: 53 out of 259 TVET institutes (20.5%)
- In the North Central and Central Coastal area: 47 out of 335 TVET institutes (14%)
- In the Central Highland: 18 out of 85 TVET institutes (21.2%);
- In the Eastern South: 46 out of 202 TVET institutes (22.8%);
- In the Mekong River Delta: 46 out of 189 TVET institutes (24.3%) (Figure 7.2)

**Figure 7.2: Percentage of TVET institutes that completed self-accreditation in 2016 by socio-economic regions (in %)**



In general, during the period 2013-2016, there was no considerable change in the number of TVET institutes that conducted self-assessment (in 2013: 275 TVET institutes, in 2014: 212, in

2015: 343 and in 2016: 263). The largest fluctuation was observed in the number of VTCs conducting self-assessment (see Table 7.1).

**Table 7.1: Number of TVET institutes that completed self-accreditation during 2013-2016**

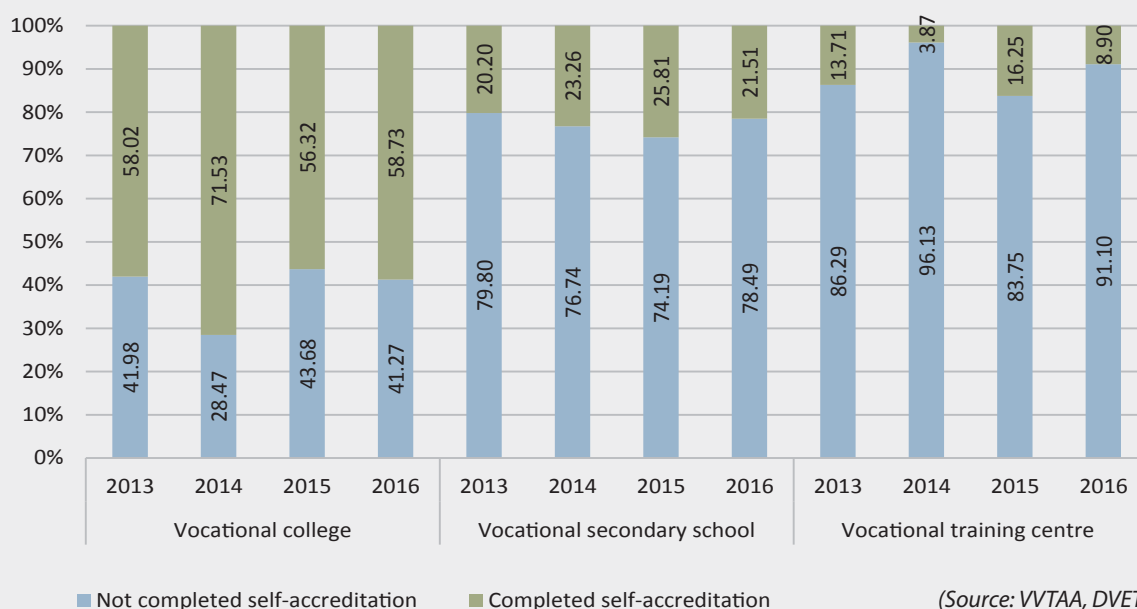
TVET institute	Vocational college				Vocational secondary school				Vocational training centre			
	2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016
Completed self-accreditation	68	41	83	78	241	231	207	219	755	970	845	942
Not completed self-accreditation	94	103	107	111	61	70	72	60	120	39	164	92

*(Source: VVTA, DVET)*

Statistic data for the period 2013-2016 indicate that the percentage of TVET institutes that

submitted self-accreditation report was decreasing (Figure 7.3).

**Figure 7.3: Percentage of TVET institutes that completed self-accreditation during the period 2013-2016 (in %)**



Although self-accreditation is mandatory as stated in the laws and legal guidelines, the percentage of TVET institutes performing self-accreditation throughout the period remained very low due to several reasons. Firstly, many

TVET institutes did not pay enough attention to accreditation requirements. Management agencies had not issued guiding documents on self-accreditation for TVET institutes. Secondly, though Decree No. 79/2015/ND-CP issued by

the Government in 2015 stipulated sanctioning measures against violations of the VET reporting requirements (including reporting on self-accreditation), self-accreditation was not applied efficiently in the whole system.

Therefore, it is necessary to take measures to strengthen the responsibility of state management agencies to promote and supervise TVET institutes to conduct self-accreditation as well as to enforce penalties for incompletion as stipulated in the existing regulations.

## 7.2. Training and further training on accreditation of vocational training quality

Since 2008, DVET has been organising numerous training courses for internal accreditors of TVET institutes and accreditors of training quality of the TVET system.

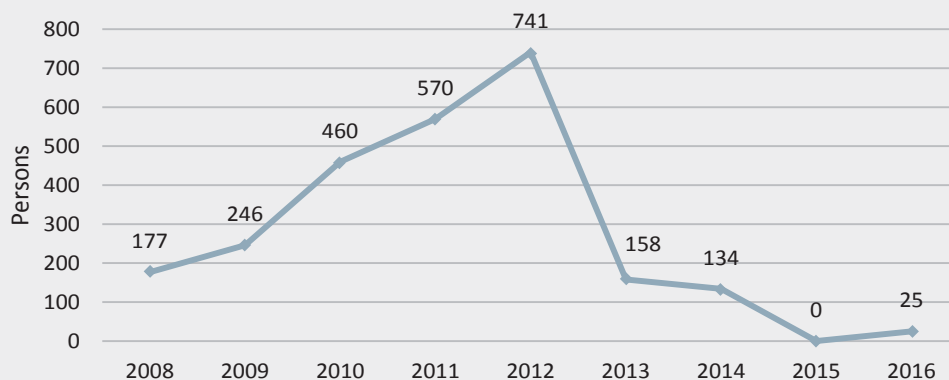
### 7.2.1 Training of internal accreditors of TVET institutes

The number of trained internal accreditors (who conduct self-accreditation) has been decreasing since 2013. In 2016, DVET trained

and issued certificates of completion of training on internal self-accreditation of TVET institutes for 25 people who were teachers and management staff from TVET institutes. Overall, during the period 2008-2016, 2,511 internal accreditors from 388 TVET institutes and other organisations were certified by DVET, including:

- 1,366 accreditors who were management staff and teachers from 142 vocational colleges (accounting for 54.5% of the total number of trained internal accreditors);
- 640 accreditors who were management staff and teachers from 139 vocational secondary schools (accounting for 25.49% of the total number of trained internal accreditors);
- 495 accreditors who were management staff and teachers from 102 VTCs (19.71% of the total number of trained internal accreditors); and
- 10 accreditors from provincial DoLISA and other organisations (accounting for 0.4% of the total number of trained internal accreditors) (see Figure 7.4).

Figure 7.4: Number of internal accreditors trained and certified during 2008-2016



(Source: VVTA, DVET)

### 7.2.2. Training of external accreditors

Accreditors of vocational training quality (hereinafter referred to as external accreditors) are those who meet the prescribed criteria and

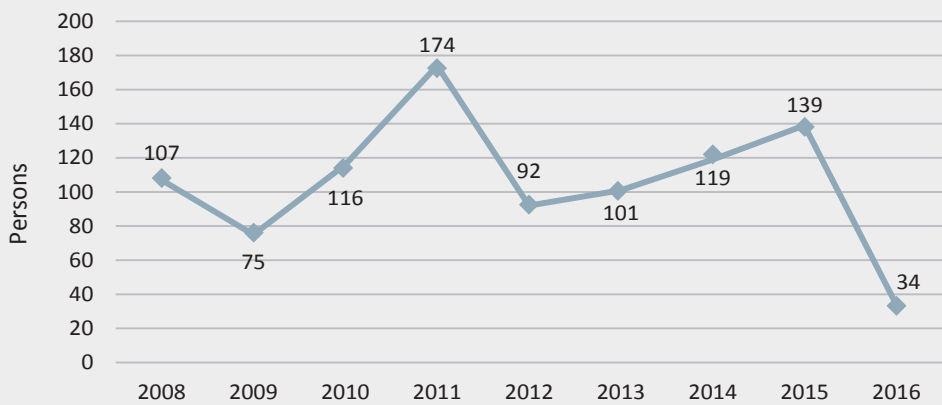
requirements. In 2016, DVET trained and issued certificates of completion of training for accreditors of TVET institutes for 34 people who were VET management staff at the central

and local level, plus teachers and management staff from vocational colleges, vocational secondary schools and other organisations.

Overall, during 2008-2016, DVET issued certificates of completion of training for a total

of 957 external accreditors of TVET institutes. Despite a general increase in the number of trained external accreditors, this number in 2016 dropped dramatically compared with the previous years (Figure 7.5).

**Figure 7.5: External accreditors of TVET institute quality trained during 2008-2016**

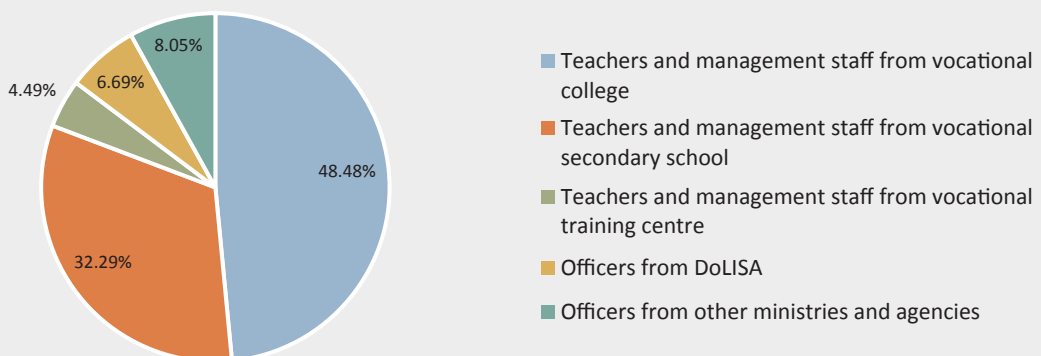


(Source: VVTAA, DVET)

The external accreditors trained during 2008-2016 came from different types of TVET institutes and positions as follows:

- 48.48% (464 accreditors) were staff and teachers from 147 vocational colleges
- 32.29% (309 accreditors) were staff and teachers from 149 secondary vocational schools
- 4.49% (43 accreditors) were staff and teachers from 41 VTCs
- 6.69% (64 accreditors) were DoLISA officers from 44 provinces
- 8.05% (77 accreditors) were officers from ministries, departments and other agencies (Figure 7.6)

**Figure 7.6: Positions of external accreditors of TVET institutes trained during 2008-2016 (in %)**



(Source: VVTAA, DVET)

### 7.3. International cooperation in the field of VET quality assurance

In 2016, DVET continued to cooperate with international organisations in the field of quality assurance, including cooperation with GIZ, the Korea International Cooperation Agency (KOICA) and the British Council in Viet Nam. Following are the key results of cooperation.

#### Cooperation with GIZ (in frame of the Vietnamese-German “Programme Reform of TVET in Viet Nam”) and KOICA

In 2016, a trilateral agreement between VVTAA/DVET, GIZ and KOICA was signed. The cooperation focused on the review and

modification of the criteria for high-quality TVET institutes stipulated in Decision No. 761/QĐ-TTg and recommendations on the procedures for assessment and recognition of high-quality TVET institutes. Several activities were conducted under this cooperation agreement, including sharing experiences, consultations and workshops on development of criteria for high-quality TVET institutes. During August-October 2016, the parties worked together to revise the six criteria for high-quality TVET institutes and centres of excellence. The quality criteria catalogue covers larger aspects of quality assurance of TVET institutes and consists of especially demand-driven output criteria and cooperation with the business sector (see Box 7.1).

#### Box 7.1: Proposed Criteria Catalogue for high-quality TVET institutes and Centres of Excellence

**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 in applied researches

Criterion 6.5: An assessment and certification centre

Based on the revised quality criteria catalogue, a training course was conducted by VVTAA in cooperation with the Programme Reform of TVET in Viet Nam and KOICA where the revised criteria of high-quality institutes were introduced along with the methodology and the process of self-accreditation at the TVET institutes. The training course was attended by

18 staff from five TVET colleges, including Vietnam-Korea Vocational College Bac Giang, College of Technology II, Vietnam-Korea Vocational College in Nghe An, Vocational College LILAMA 2 and Vocational College of Mechanics and Irrigation in Dong Nai. Following the training course, a pilot self-accreditation was implemented by five

participating potential high-quality TVET institutes. A training course for external accreditors and a pilot external accreditation were planned by VVTAA for 2017. The pilot project was successful in a way that the first step had been made in the application of a uniformed criteria catalogue for high-quality TVET institutes and centres of excellence. The success of the pilot will contribute to the improvement of the quality assurance system at TVET institutes and lead to more demand-oriented training.

Along with the cooperation between VVTAA, GIZ and KOICA for review and modification of the criteria for high-quality TVET institutes, another agreement was signed between VVTAA and GIZ on integration of quality monitoring tools in the VET quality assurance system of Viet Nam. In 2016, two training courses were organised by VVTAA/DVET and GIZ on data analysis and reporting on the enterprise feedback survey and tracer study results for the teachers and management staff from eight selected TVET institutes. After the training course, the participants successfully conducted enterprise surveys and tracer studies. Important key findings and recommendations for improvement of the training quality were proposed in their survey reports.

### **Cooperation with the British Council**

Based on the results achieved in the first phase of the cooperation programme with the British Council Vietnam, on 8 March 2016, DVET signed an agreement on the second phase of cooperation which was aimed at building and developing a quality assurance system at high-quality vocational colleges. In 2016, further development of the quality assurance system was supported at nine former partner vocational colleges, and twelve new vocational colleges were selected to join the second phase of the cooperation programme (Appendix 3). Many cooperation activities were

carried out, including the development and application of school quality assurance procedures and instruments. As a result of the cooperation, 243 quality assurance processes and instruments were developed (of which 205 procedures have been put into practice), contributing significantly to the development and improvement of the quality assurance at the partner colleges of the project.

In addition, in 2016, the electronic “Quality Assurance Toolkit handed over by the British cooperation programme to the partner vocational colleges” was elaborated and promulgated by VVTAA. The developed documentation of quality assurance instruments and processes will also be transferred to the partner colleges of the project.

Furthermore, DVET and the British Council conducted capacity building activities for partner colleges on quality assurance system development. 30 management staff and teachers attended a training course in the UK in 2016.

It is certain that the development process of a quality assurance system in TVET institutes is challenging and complicated, requiring a comprehensive support and active participation of leaders, management staff and teachers of TVET institutes. Sufficient resources and time should be spent on this process. Despite the results achieved, the implementation process of the project had certain limitations; for example the information management system was not satisfactory and the impact of many tools and different processes had not been assessed. However, the cooperation programme with the British Council on building a quality assurance system of high-quality TVET institutes served as an important fundament for drafting a circular on the establishment of a quality assurance system in TVET institutes as stipulated in the Decree No. 48/ND-CP dated 15/5/2015 issued by the Government.



## Conclusion and recommendations

In 2016, accreditation and quality assurance in the Vietnamese TVET system were implemented in accordance with vocational training guidelines.

The percentage of TVET institutes that submitted a self-accreditation report to DVET was low, accounting for only 17.51% of the total number of TVET institutes nationwide.

Although training on self-accreditation for staff and teachers of TVET institutes was available, the number of trained accreditors was not high (only 25 accreditors were trained in 2016).

It is important to continue to promote cooperation with international organisations in the field of VET quality assurance, including cooperation with GIZ in further study and elaboration of the criteria for high-quality TVET institutes and piloting the assessment process at five selected TVET institutes. In addition, cooperation with the British Council on building and developing a quality assurance system at vocational colleges has achieved positive results.

The following recommendations are proposed to improve accreditation and quality assurance in the TVET system in Viet Nam:

- Enforce sanctioning measures against violations of the legal regulations in the field vocational training, particularly violations related to VET quality assurance and accreditation;
- Article 65 of the VET Law stipulates that quality accreditation is compulsory in the TVET system. It is, therefore, required that TVET institutes should develop and submit the management authorities a plan and cost estimation for self-accreditation. Self-accreditation should be implemented on an annual basis as required by the Government guidelines;
- Management authorities should provide guidelines and instructions and supervise TVET institutes conducting self-accreditation of vocational training quality;
- TVET institutes should review, on an annual basis, their internal vocational training accreditation system and establish a quality accreditation department/section.

## CHAPTER 8.

# FINANCING VOCATIONAL EDUCATION AND TRAINING

*VET has become a special matter of concern in the human resource development policy of Viet Nam. VET contributes not only to the development of a technical skilled labour force but also to increasing income and social security of the working people. Therefore, financing VET has become increasingly important. Due to insufficient data, this chapter only describes the financial resources invested in vocational training in 2016 and shows the trend of funding to vocational training during 2011-2016. The chapter also analyses the role of the state budget in VET development and indicates the potentials of non-state financial resources for vocational education and training; it emphasises the effects of mobilisation of financial resources derived from socialisation of VET activities.*

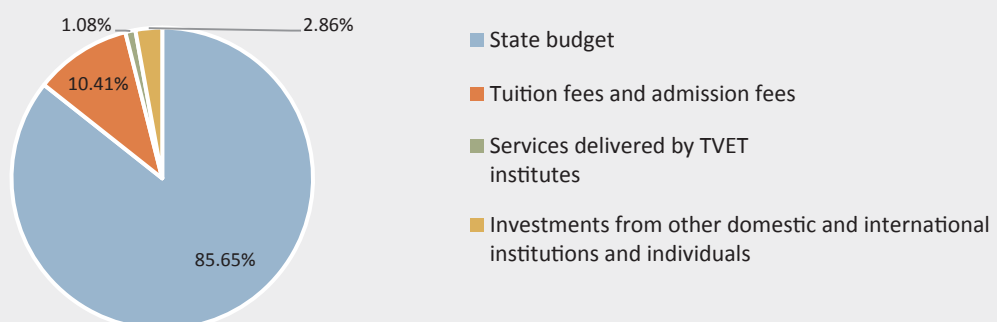
### 8.1. Overview

According to the Law on State Budget, the Law on Education, the VET Law and the current guiding documents, financial resources of TVET institutes in Viet Nam are derived from the state budget and other non-state financial resources.

The structure of financial resources allocated for VET during the period 2011-2016 can be

described as follows: On average, the State budget for VET accounted for approximately 85.65%; tuition fees: approximately 10.41%; income from public services provided by TVET institutes: approximately 1.08%; investments and financial support from domestic and international organisations and individuals: approximately 2.86% (Figure 8.1).

**Figure 8.1: Structure of financial resources for vocational training during 2011-2016 (in %)**

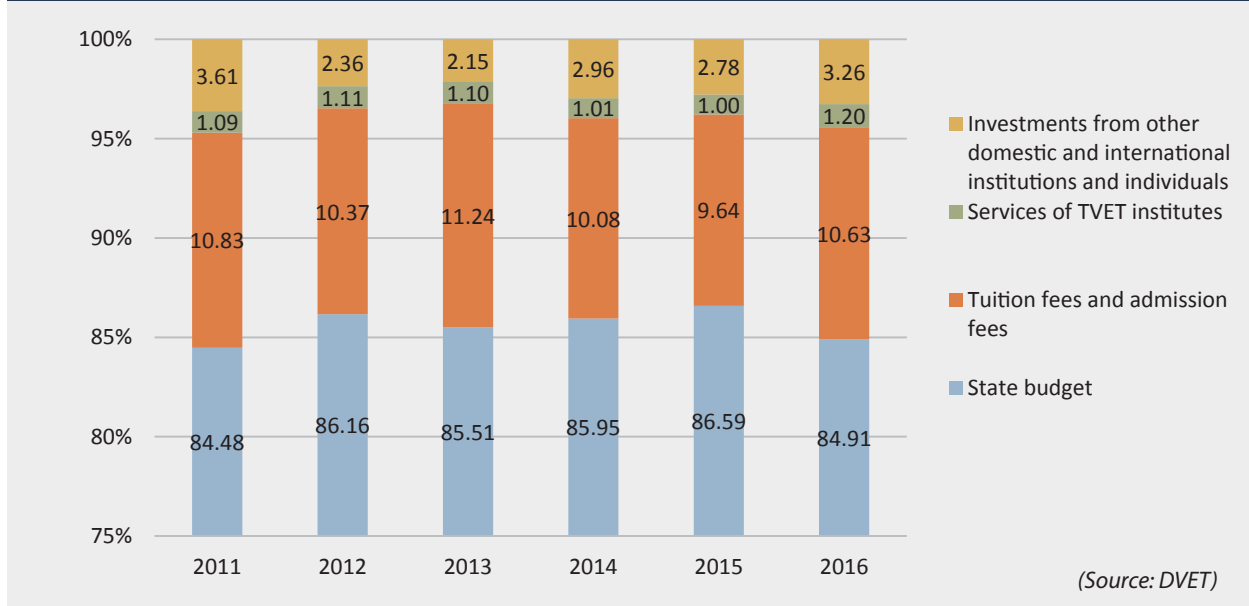


(Source: DVET)

Comparison of the structure of financing for VET during the period 2011-2016 shows a slight variation in the annual structure of financing during those years (Figure 8.2). For example, in 2011, the state budget accounted for 84.48% of the total financial resources for

VET while in 2016 it accounted for about 84.91%. In 2011, income from services delivered by TVET institutes to the public accounted for 1.08% while in 2016 it accounted for about 1.20%.

**Figure 8.2: Structure of financial resources for vocational training during 2011-2016 (in %)**



## 8.2. State budget resources and the role of state budget resources

The state budget for vocational training is being allocated to cover three main groups of expenditures: recurrent expenditures, basic construction expenditures and national target programmes.

### 8.2.1. The role of state budget resources for VET

The funding from state budget does not merely provide financial resources for VET activities but also helps orient vocational development activities in line with the guidelines of the Government.

In the current context of market orientation, financial investment sources for VET have been expanded and become more diversified. Although the amount of funding from the state budget to VET is still limited, it still plays a particularly important role in the VET development. The state budget serves as the main financial resource for developing the TVET system, especially for increasing the teachers' quantity and quality, improving the

training infrastructure and facilities of TVET institutes, restructuring the TVET system and implementing social policies. The state budget resource guarantees the international competence and competitiveness of TVET institutes.

### 8.2.2 State budget resources for VET

#### Funding for recurrent expenditures

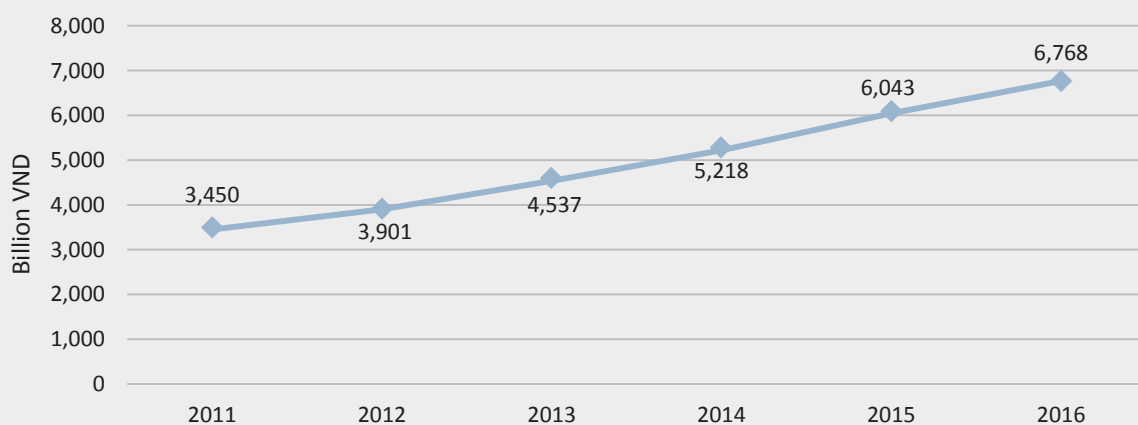
Budget allocations for recurrent expenditures of vocational training represent a major source of funding for the achievement of VET objectives. They cover the costs spent by TVET institutes on the regular tasks which are entitled to be financed from the state fund. Based on the annual social and economic development demand, public TVET institutes are informed about the targeted number of students, whose training is financed by the state budget fund. The size of this funding is defined based on the average cost norm per student and the number of students whose training is funded by the state budget.

During the period 2011-2016, recurrent expenditure for vocational training increased

rapidly and continuously from VND 3,450 billion (approximately USD 154.5 million) in 2011 to VND6,768 billion (USD 303.1 million)

in 2016 (nearly doubled for the period of 5 years) (Figure 8.3).

**Figure 8.3: Recurrent expenditures for vocational training for period 2011 – 2016**



(Source: DVET)

In the structure of the state budget expenditures for vocational training, priority has been given to the socio-economically-deprived areas, including remote areas, border areas, island areas as well as ethnic minority areas. This priority can be reflected from the increasing state budget allocation norms for these areas. The state budget allocation norms for recurrent expenditure of education for 2006-2010 are specified in Decision No. 151/2006/QD-TTg dated 29/6/2006 issued by the Prime Minister. The budget allocation

norms for recurrent expenditures of VET for the period 2011-2015 are regulated in Decision No. 59/2010/QD-TTg dated 30/9/2010 issued by the Prime Minister. The budget allocation norms for recurrent expenditures of VET for the period 2016-2020 are regulated in Decision No. 46/2016/QD-TTg on 19/10/2016 issued by the Prime Minister. The budget allocation norms for recurrent expenditures in VET in different areas in different periods are compared in the form of coefficients in Table 8.1 below.

**Table 8.1: Budget allocation coefficients for recurrent expenditures in VET**

Period	Urban provinces and cities	Delta areas	Low-mountainous and remote areas	High-mountainous and island areas
2006-2010	1	1.11	1.45	2.0
2011-2015	1	1.11	1.51	2.11
2016-2020	1	1.11	1.56	2.22

(Source: NIVET)

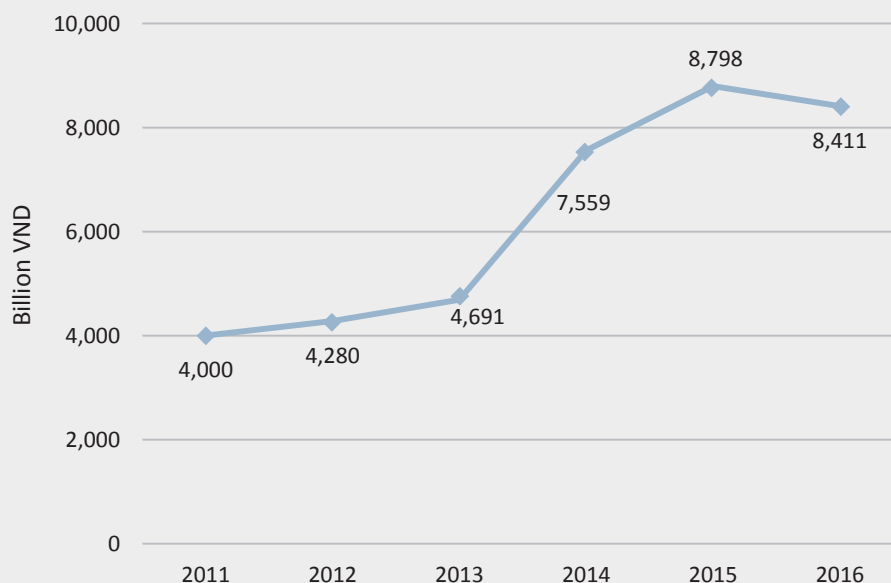
It is observed that the budget allocation coefficients for recurrent expenditures for education during the period 2016-2020 have been adjusted higher than those applied for the period 2011-2015 and 2006-2010 for the disadvantaged areas, especially mountainous and island areas. This reflects the Government's support to the target groups of poor people and people from rural and ethnic minority areas, etc.

The investments of the state budget in public TVET institutes have created more opportunities for the people who have training needs to access to vocational training. At the same time, more attention has been paid to the development and promulgation of various preferential policies on vocational training for the vulnerable and disadvantaged groups, such as ethnic minority groups, poor people, people with disability, young people and people demobilised from army service, workers residing in those areas where their land is confiscated for other purposes of use, rural workers; vocational training and job creation for female workers, etc.

### Funding for basic construction investments in vocational training

Expenditures for basic construction investments include expenditures spent on the development of technical infrastructure needed by TVET institutes. The state budget funding for basic infrastructure constructions in vocational training has been increased annually. During the period 2011-2016, funding for basic infrastructure constructions increased by 2.1 times (see Figure 8.4). The annual state budget funding for basic infrastructure constructions accounted for 40.8% of the total state budget allocated to vocational training in 2011, which increased to 52.95% in 2016. We can see that funding for basic infrastructure constructions in vocational training is increasing significantly every year. However, it is important to note that data related to funding for basic infrastructure constructions in vocational training are sometimes overlapping with data on funding sources of investments.

**Figure 8.4: Basic construction investments for vocational training during 2010-2016**



(Source: DVET)

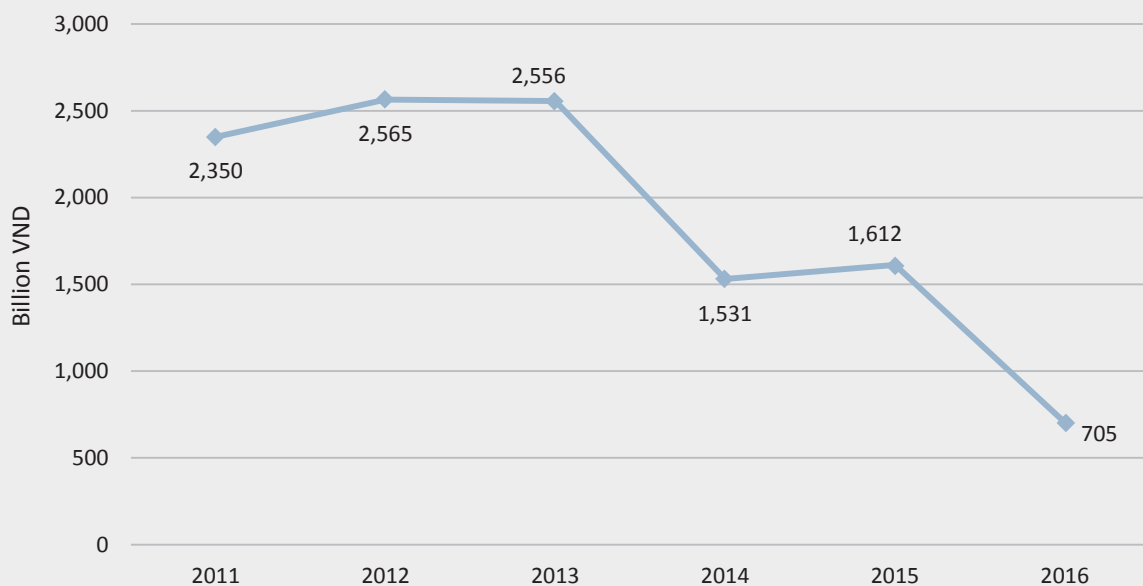
### Funding for national target programmes

Funding for national target programmes aims at achieving specific urgent objectives or addressing major shortfalls in vocational training within specific periods in order to bring positive changes in training programmes and improve the education and training quality. Many countries, especially developing countries, use funds from the state budget for target programmes in education, including vocational training. Depending on the specific

urgent objectives of vocational training in certain periods, each country shall give different priorities to different target programmes.

During the period 2011-2015, there were two projects under the National Target Programme on Employment and Vocational Training, i.e. the Project for Vocational Training for Rural Workers and the Project for Reform and Development of Vocational Training (refer to Viet Nam Vocational Education and Training Report 2015, page 110 for detailed information).

**Figure 8.5: Funding for national target programmes during 2011-2016**



(Source: DVET)

In 2016, funding for target programmes decreased and showed a decreasing tendency compared with 2015 and the previous years (Figure 8.5) because in 2016, the Project for Vocational Training for Rural Workers for the period 2011-2015 was completed while the Project “Reform and Improvement of Vocational Training Quality” under the Programme for Vocational Education and Training-Employment and Occupational Safety for 2016-2020 was in the process of preparation. Resolution No. 73/NQ-CP dated

26/8/2016 adopted by the Government approved the policy on investments to target programmes for the period 2016-2020, including the National Target Programme on Vocational Education and Training, Employment and Occupational Safety which MoLISA is responsible for (refer to Chapter 1). The objectives of the Programme are to support the VET development; promote the labour market and improve interconnection between labour supply and demand; create jobs, increase labour export; improve labour

safety and hygiene; promote decent work linked with increased productivity, improve working conditions and increase income; improve health care and prevent occupational accidents. The total Programme budget consists of 15,520 billion VND (approximately 695 million USD), of which: development investment from the national budget consists of 1,980 billion VND (approximately 88.7 million USD); funding for public service from the national budget consists of 8,075 billion VND (approximately 361.6 million USD); development investment from the local budget consists of 1,930 billion VND (approximately 86.4 million USD); funding for public service from the local budget consists of 1,370 billion VND (approximately 61.3 million USD); ODA funding consists of 625 billion VND (approximately 28 million USD); and other legal financial resources consist of 1,540 billion VND (approximate 69 million USD).

Activities of the Project “Reform and Improvement of the Vocational Training Quality” under the Programme for Vocational Education and Training-Employment and Occupational Safety for 2016-2020 started in 2016. In this year first activities were focused on creating a legal foundation for the implementation of project activities in 2017 and in the following years.

### **8.3. Non-state financial resources and the role of non-state financial resources in VET**

Together with the increased annual state budget for VET, there was a considerable increase of non-state financial investments in VET, including tuition fees, contributions to school infrastructure, contributions from enterprises and TVET institutes’ income from scientific researches, production, services, etc.

#### **8.3.1. The role and potentials of non-state financial resources for VET**

The policy to promote public participation (socialisation) in VET and diversify approaches

to mobilise financial resources has helped attract considerable resources from non-state sources for VET. These financial resources will fill the state budget shortfalls and contribute to investments in school infrastructure, teachers’ salaries and VET development. The socialisation of VET will promote public responsibility for VET development and encourage the autonomy of TVET institutes in exploring financial resources and reducing the load of the State budget.

In the coming time, the Government shall give full autonomy to educational institutions in general, and TVET institutes, in particular. Therefore, TVET institutes need to adopt specific measures for exploring financial resources to ensure good training quality to meet the demand of the industrialisation and modernisation process.

#### **8.3.2. Non-state financial resources for VET**

##### **Tuition fees and admissions fees**

During the period 2010-2015, vocational training fees were regulated by Decree No. 49/2010/ND-CP stipulating tuition fee exemption and reduction, training allowances as well as policies on fees collection and utilisation applied for educational institutes in the national education system for the school years from 2010-2011 to 2014-2015. During the period 2016-2020, tuition fees, specifically for vocational training, are regulated by Decree No. 86 /2015/ND-CP dated 02/10/2015 issued by the Prime Minister.

Because of the increased tuition fee rate, the income of TVET institutes from tuition fees has been increasing during the period 2011-2016 (by nearly 1.58 times) (Figure 8.6). The annual income from tuition fees is mainly used to compensate the cost of training activities and partly for the reinvestments in training equipment and infrastructure in order to improve the training capacity of TVET institutes.

**Figure 8.6: Income from tuition fees for period 2011-2016***(Source: DVET)*

Although tuition fees represent an important financial source which supplements the state budget funding for TVET institutes to cover their training costs, there are certain limitations in the policies regarding VET fees due to the following reasons:

- The Law on Education passed in 2005 states that “tuition fees and admissions fees are paid by the trainees or their families and are used to cover the costs of educational activities”. However, the current tuition fee rates are not adequately and properly calculated to include all the costs incurred by TVET institutes in the training process. Hence, tuition fees have become a “symbolic” income for most TVET institutes.
- The current tuition fee policy is a great challenge for the TVET institutes in their development process. The policy of tuition fee “ceilings” limits the income of TVET institutes from tuition fees. Facing the need for financial resources to maintain the training in the context of the low tuition fee policy, TVET institutes prefer to enlarge the size of the class (having more students).

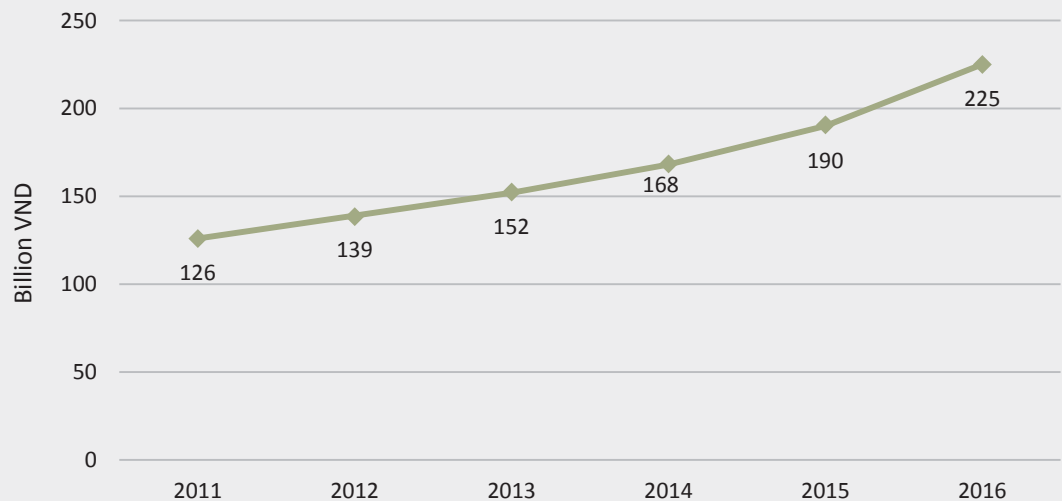
The training quality can hardly be improved in the situation when the number of students exceeds the required limit. In fact, the training quality in some TVET institutes even tends to go down. Therefore, it is necessary to take appropriate measures to tackle with this situation.

#### **Income from services delivered by TVET institutes**

Income from services provided by TVET institutes include: income derived from training contracts concluded with domestic and foreign organisations; income from production activities, sales of students’ practice product; income from research and technological services; dividends earned from joint ventures, bank deposit interest derived from services and other incomes specified by the law.

Autonomy of public service institutions is regulated by Decree No. 16/ND-CP dated 14/2/2015 issued by the Government. The State policy is to continue to reform the management mechanism and to gradually transform public TVET institutes into autonomous public service providers.



**Figure 8.7: Income from services by TVET institutes during 2011-2016**

(Source: DVET)

In recent years, TVET institutes have been encouraged to raise income from providing public services (Figure 8.7). However, this income accounts for a very low proportion (1.08%) of the total financial resources (see Figure 8.1) due to the following reasons:

- The infrastructure of many TVET institutes remains poor and cannot be used to provide services. Meanwhile, TVET institutes that possess good facilities are not determined and motivated enough to provide training services. They hesitate to change the current mode of school management and remain inactive. They do not apply innovative measures to maximise their business income.
- Additional payments apart from regular staff salary are still very low and not enough to motivate the teachers and management staff to work harder and to participate in training service delivery.
- The classification process of TVET institutes is slow. Many TVET institutes have not proactively developed their policies on autonomy, self-financing and

self-accountability. Apart from that, national and local superior management agencies do not pay appropriate attention to supervise TVET institutes implementing the autonomy approach.

#### Investments contributed by domestic donors

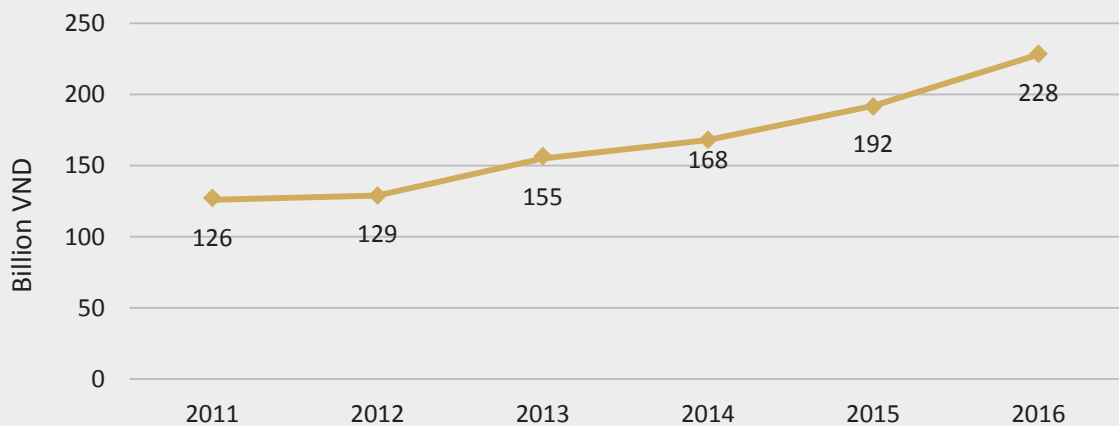
During recent years, investments from domestic individuals increased by 81% from 126 billion VND in 2011 to 228 billion VND in 2016 (Figure 8.8).

The Government issued Decree No. 69/2008/ND-CP dated 30/5/2008 on encouraging socialisation in the field of education, VET, health care, culture, sports and the environment to encourage domestic and foreign organisations and individuals to make investments for VET development. According to this Decree, the Government encourages and creates favourable conditions for organisations and individuals to make investments in intellectual, physical and financial contributions to VET activities. Investments, contributions, donations made by

enterprises to VET activities are considered for corporate income tax exemption or reduction. Investments, contributions, donations made by individuals are considered for personal income

tax exemption or deduction. All types of contributions shall be recognised respectively by the Government.

**Figure 8.8: Investments from domestic donors for 2011-2016**



(Source: DVET)

In order to encourage organisations and individuals to establish non-public TVET institutes and to promote the socialisation in VET, MoLISA cooperated with MoET, MoF and relevant ministries to develop and submit for the Prime Minister's approval of the Decision No. 1466/QĐ-TTg dated 10/10/2008, specifying the types, criteria and size of socialised institutions in the field of education, VET, health care, culture, sports and environment. MOLISA issued Decision No. 71/2008/QĐ-BLDTBXH dated 30/12/2008 and Circular No. 24/2011/ TT-LDTBXH dated 21/9/2011 on establishment, segregation, merge and dissolution of vocational colleges, vocational secondary schools and vocational training centres. These guiding documents define the establishment conditions, application dossiers, approval authorisation, duration of establishment and policies to encourage organisations and individuals to establish non-public TVET institutes. Article 7 of the VET Law of 2014 provides for diversification of types of TVET institutes and

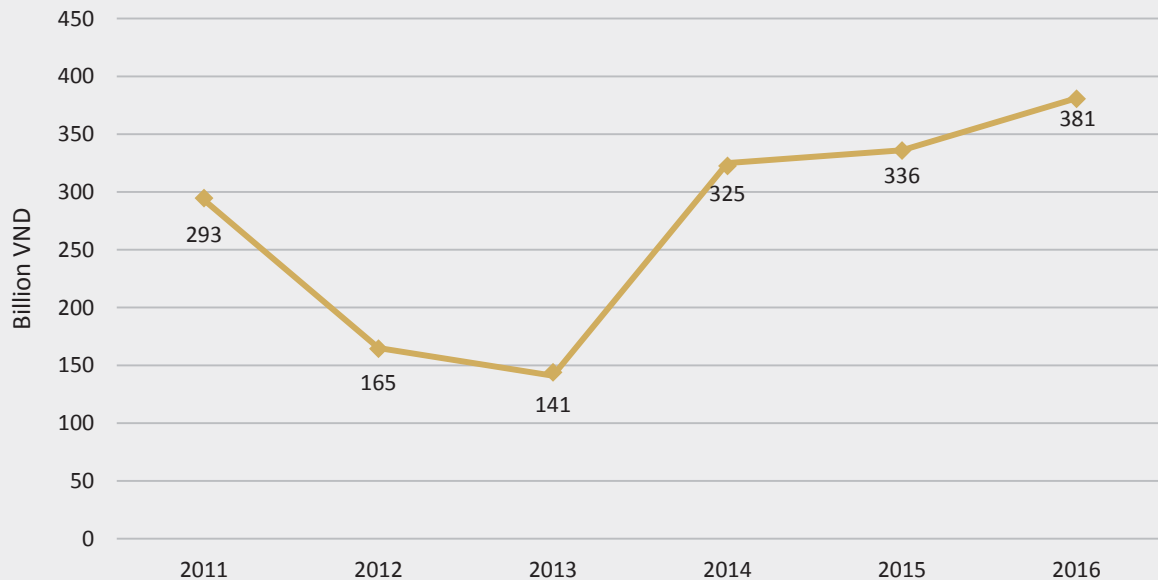
encourages organisations and individuals to participate in VET activities. Organisations and individuals that make contributions to the development of TVET institutes shall be entitled to the privileged policies to encourage socialisation as regulated by the Government (refer to Chapter 1).

#### **Investments and donations contributed by international organisations and individuals**

Investments and donations contributed by international organisations and individuals is an important financial resource for VET development. This financial resource has been increased thanks to the ODA funding and funds provided by international organisations plus direct support from foreign organisations to TVET institutes.

Thanks to the policy on promoting domestic resources and mobilising all potential international financial aids, during the past years Viet Nam has been able to gain the support of international organisations through development projects (see Figure 8.9).

**Figure 8.9: Investments contributed by international organisations and individuals for 2011-2016**



(Source: DVET)

### Enterprises' investments in VET

Strengthened involvement of enterprises in vocational training plays an important role in the mobilisation of financial resources for vocational training. Recently, with new approaches of cooperation between TVET institutes and enterprises, enterprises have been participating more actively in VET activities. Many enterprises and corporations<sup>9</sup> have established their own TVET institutes to provide training to their staff and to the community (refer to Chapter 3). These under-enterprise TVET institutes include TVET institutes located in industrial zones<sup>10</sup>. They are mainly focused on training the labour force of their enterprise(s). Apart from that, TVET

institutes also cooperate with enterprises in cooperative training<sup>11</sup>. The involvement of enterprises in vocational training is reflected in various forms, such as exchange of VET human resources between TVET institutes and enterprises, joint curriculum development, exchange of information between TVET institutes and enterprises, enterprise's support to interns, training contract with enterprises and students' internships in enterprises (refer to Viet Nam VET Reports 2012, 2013-2014 and Chapter 9 of this report). Though these forms of engagement of enterprises in VET activities are still not extensive and sustainable, they will contribute to cost sharing in the field of vocational education and training.

<sup>9</sup> For example: TVET institutes under the Corporation of Post and Telecommunications, Petroleum Corporation, Textile Corporation, Coal Corporation.

<sup>10</sup> For example: Vocational College Vietnam–Singapore (located in the Vietnam–Singapore Industrial Park in Binh Duong); Dung Quat Vocational College of Technology (located in Dung Quat Economic Zone in Quang Ngai province), Vocational College Chu Lai - Truong Hai (located in Chu Lai-Truong Hai Automobile Assembly and Production Complex in Quang Nam province)

<sup>11</sup> Pilot cooperative training is implemented in the framework of the Vietnamese-German "Programme Reform of TVET in Viet Nam" (see TVET Report Vietnam 2015, page 122)

## Conclusion

In the coming time, further measures should be taken to promote the socialisation of VET and to diversify approaches to mobilise financial resources for VET development.

Apart from increasing the state budget allocation for VET in the disadvantaged areas and for the key TVET institutes, MoLISA shall coordinate with relevant ministries and sectors to promote the reform of public TVET institutes which is focused on dynamic development, creativity, autonomy and self-accountability and aims at reducing the state funding to TVET institutes located in economically developed regions.

It is necessary to create favourable conditions for both public and private TVET institutes and other organisations and individuals to deliver VET public services which are financed or contracted by the State and to participate in biddings for projects with domestic or overseas investments in accordance with legal guidance.

Preferential policies should be developed for TVET institutes, especially for non-public TVET institutes, for example: preferential loan interest rates, tax deduction for the import of VET

equipment, corporate income tax exemption and deduction for new non-public TVET institutes during the first period of their establishment, land rent for school construction.

It is necessary to strengthen and expand the effective cooperation between enterprises and TVET institutes and encourage enterprises to make investments in VET activities by imposing tax incentives for enterprises that make investments in VET activities. Enterprises that do not participate in vocational training should pay compulsory tax or training fee (calculated in certain percentage based on the staff salary fund) as they employ workers trained by TVET institutes.

It is necessary to adopt a reasonable tuition fee policy for each occupation to cover the training costs and, at the same time, apply tuition fee exemption and deduction for heavy and hazardous occupations or occupations which are not attractive for students, such as mine workers, workers in road and bridge construction, infrastructure construction, agriculture, livestock breeding.

It is necessary to actively mobilise financial resources for VET from overseas Vietnamese organisations and individuals.

## CHAPTER 9.

# COOPERATION WITH ENTERPRISES IN VOCATIONAL EDUCATION AND TRAINING

Cooperation between TVET institutes and enterprises plays an important role in improving the quality of the labour force which contributes to the economic development of the country. Chapter 9 of the Viet Nam VET Report 2016 introduces different aspects of the engagement of the business sector in vocational education and training (which have been partly addressed in the first chapters of the report). This chapter also presents the results of the surveys on cooperation between TVET institutes and enterprises, introduces further experiences of cooperative training and engagement of enterprises in VET activities and reports the enterprises' feedback on the competence of vocational college graduates.

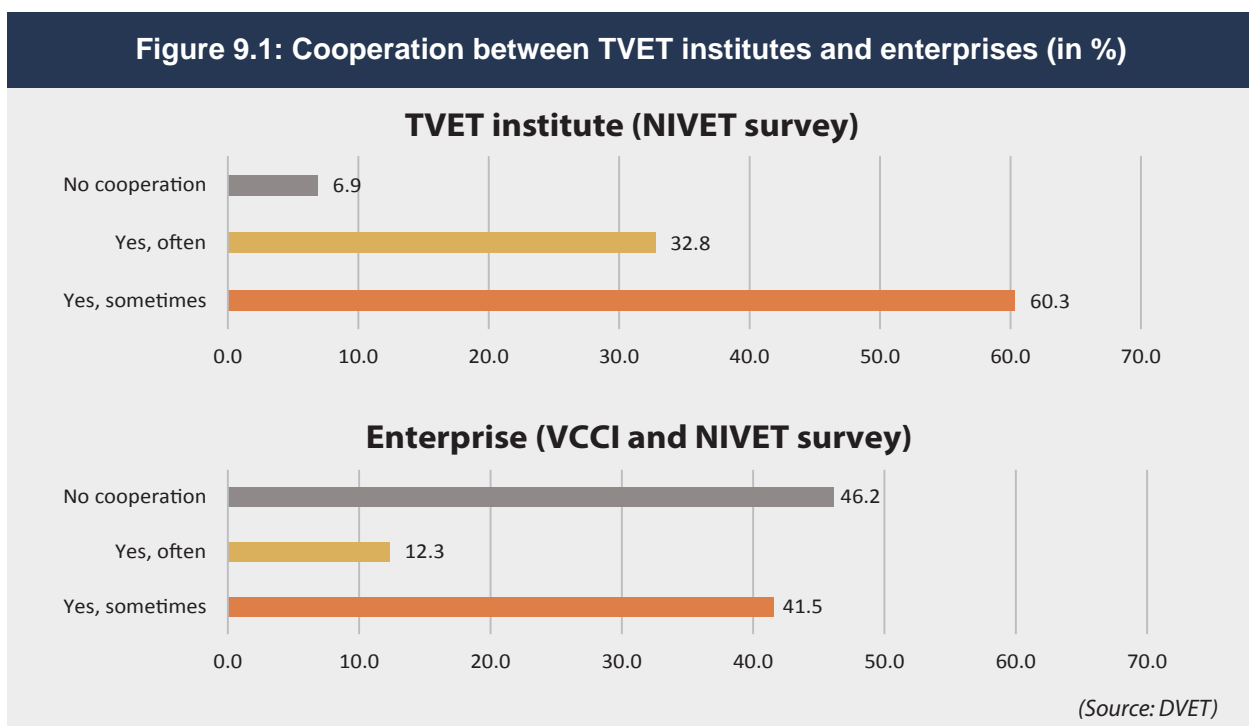
### 9.1. Cooperation between TVET institutes and enterprises

In order to obtain information on the situation of cooperation between TVET institutes and enterprises, in 2017, NIVET and VCCI jointly conducted a survey at 79 enterprises and NIVET conducted a survey at 88 TVET institutes.

According to the results of the survey, 32.8% of the 88 interviewed TVET institutes say that

they maintain cooperation with enterprises on a regular basis; 6.9% of the surveyed TVET institutes do not maintain any cooperation with enterprises. Of the 79 surveyed enterprises, enterprises that maintain regular co-operation with TVET institutes account for only 12.3%; enterprises that do not have cooperation relationship with any TVET institutes account for 46.2% (Figure 9.1). The result of the survey shows that the percentage of enterprises which maintain cooperation with TVET institutes is not high.

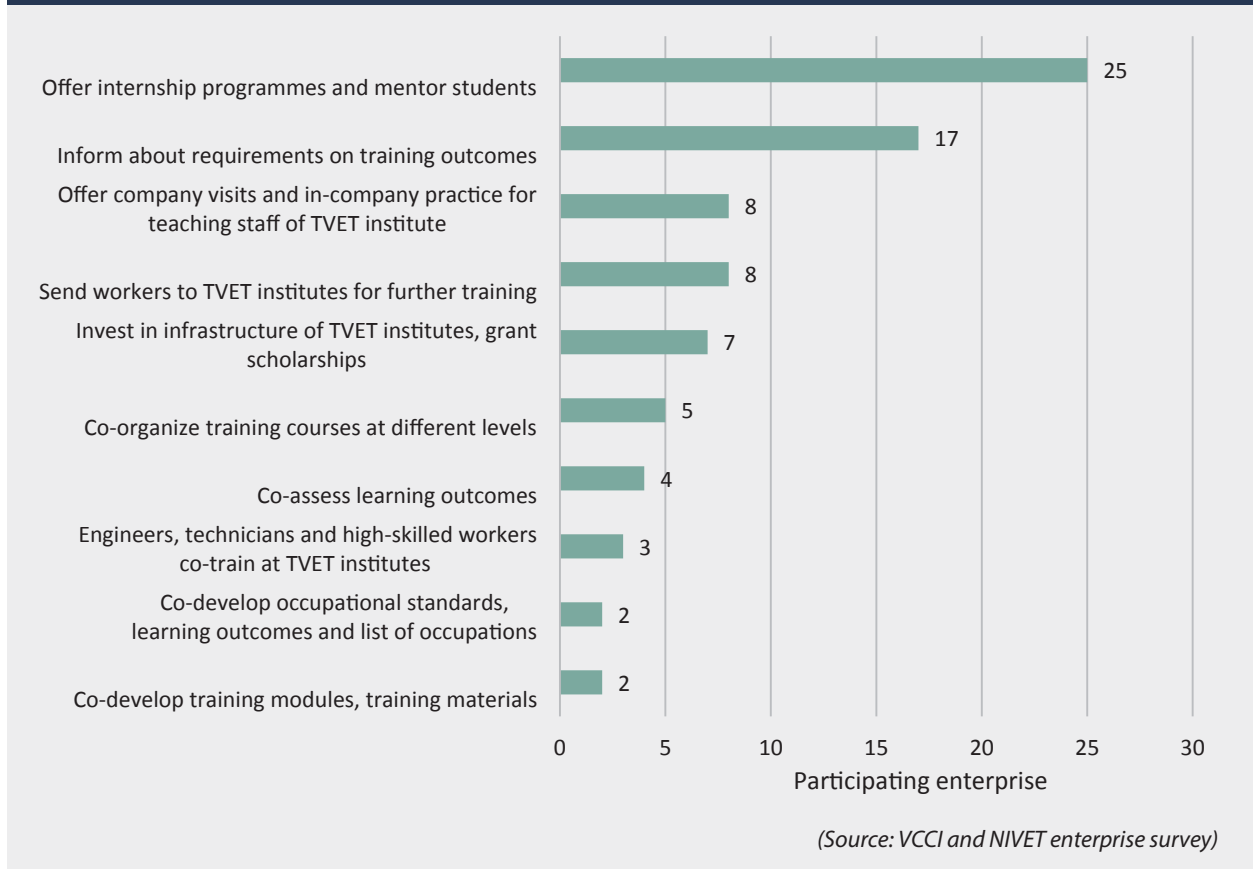
**Figure 9.1: Cooperation between TVET institutes and enterprises (in %)**



The level of cooperation between enterprises and TVET institutes is different among enterprises. Of the 79 surveyed enterprises, the most common form of TVET cooperation is to offer internships in enterprises (25 enterprises); to inform about their requirements

on learning outcomes (17 enterprises). The participation of enterprises in developing occupational standards and learning outcomes, defining occupation profiles and developing training modules is very limited (2 enterprises) (Figure 9.2).

**Figure 9.2: Forms of cooperation between enterprises and TVET institutes**

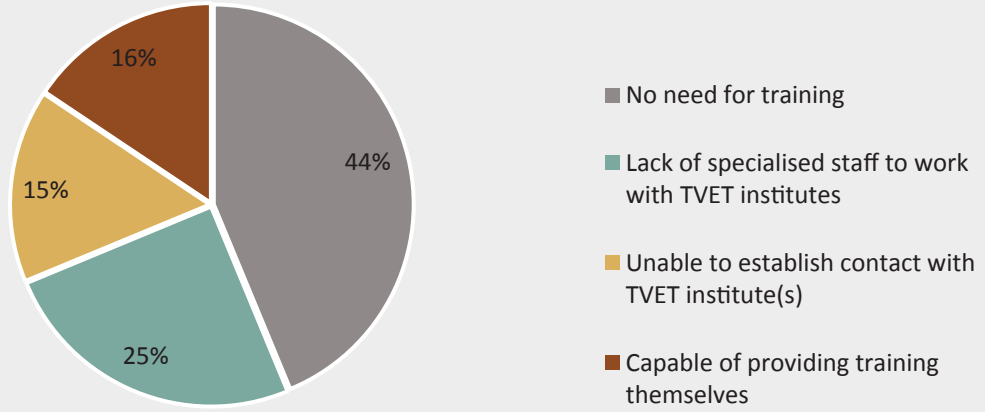


The results of the survey at 79 enterprises show that the most common reason why enterprises do not establish cooperation with TVET institutes is they do not have training needs, as responded by 44% of the surveyed enterprises. Besides this reason, 25% of the surveyed enterprises explain that they do not have any specially appointed staff to work with TVET institutes and about 15% of the surveyed enterprises say they do not know how to establish contacts with TVET institutes.

Meanwhile, the survey conducted by NIVET at 88 TVET institutes discloses that 31% of the surveyed TVET institutes do not cooperate with enterprises mainly because they cannot establish contacts with enterprises; another 31% explain that enterprises do not have the need to cooperate with them. In addition, many TVET institutes do not cooperate with enterprises because they do not have special staff in charge of business cooperation (25%). (Figure 9.3)

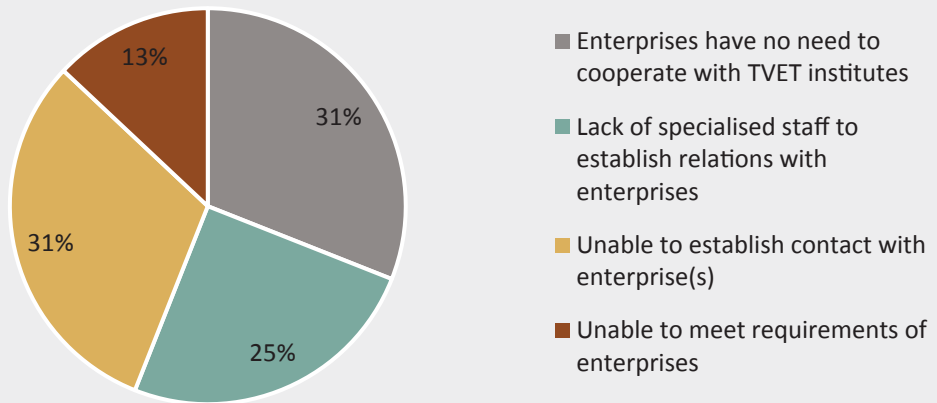
**Figure 9.3: Reasons for lack of cooperation between enterprises and TVET institutes (in %)**

**Why do enterprises not cooperate with TVET institutes?**



(Source: VCCI and NIVET enterprise survey)

**Why do TVET institutes not cooperate with enterprises?**



(Source: NIVET survey of TVET institutes)

The results of the surveys suggest that both TVET institutes and enterprises need to be more active in promoting and enhancing the efficiency of their cooperation in vocational training and that the match making between enterprises and TVET institutes should be supported or focused on. This relationship should be based on the practical interests of both parties.

**9.2. Experiences of cooperation between TVET institutes and enterprises and cooperative training**

Viet Nam Vocational Education and Training Report 2015 introduced three pilot models of cooperative training under the framework of the Vietnamese-German “Programme Reform of TVET in Viet Nam” which were piloted by (i) the Project “Vietnamese-German Vocational

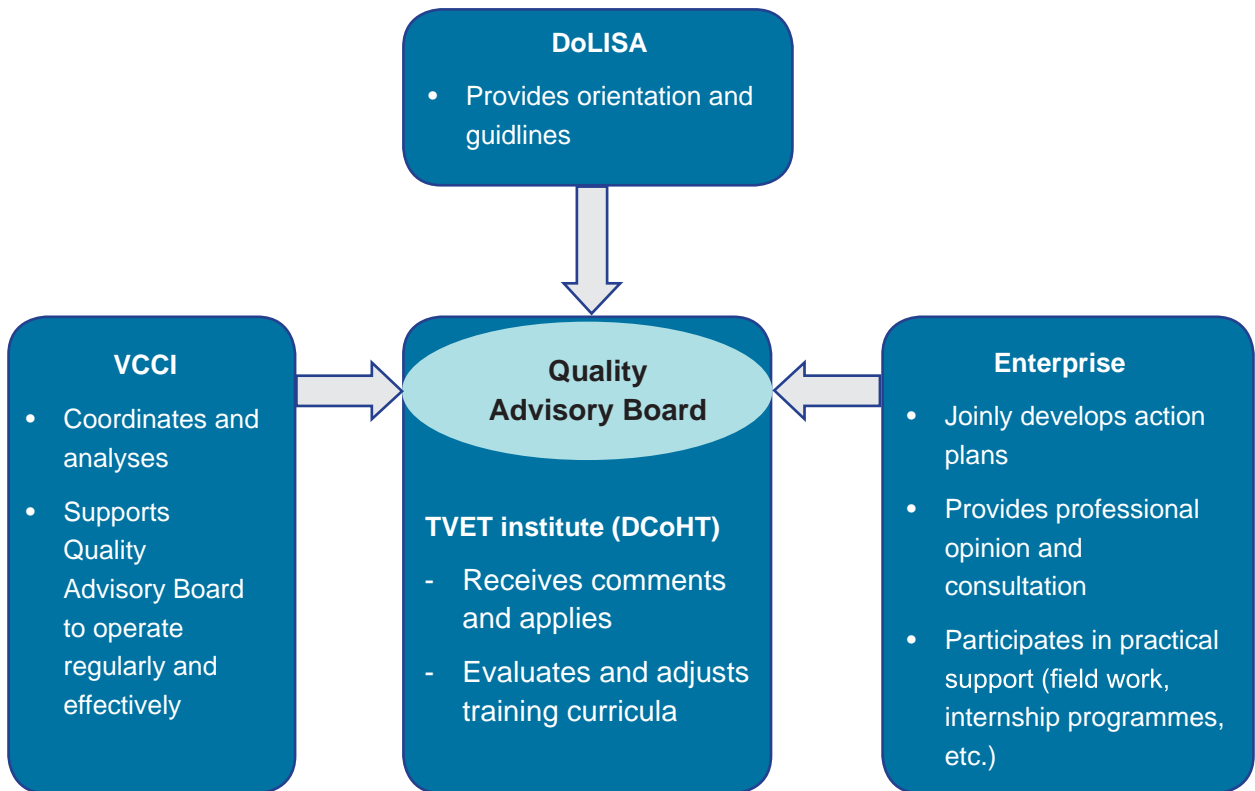
Training Centre-Hai Phong Vocational Polytechnic College” in metal cutting/CNC occupation; (ii) the “Cooperative Training Programme for Mechatronic Technicians of University of Technology Education (UTE) Hung Yen” in cooperation with two German companies, Messer and B. Braun; and (iii) Programme Field Activity “TVET for Skilled Workers in the Wastewater Sector” of Ho Chi Minh Vocational College of Technology (renamed College of Technology II). This report will introduce (a) the best practice of cooperation with enterprises at Dong Nai College of High Technology (DCoHT) with the model of Quality Advisory Board; and (b) the experience of cooperative training at Vocational College LILAMA 2 and the progress of cooperative training programme “TVET for Skilled Workers in the Wastewater Sector” at College of Technology II.

**9.2.1. Best practice of the Quality Advisory Board**

With the support of VCCI and the Nordic Union of Employers, Dong Nai College of High Technology (DCoHT) worked together with enterprises to establish quality advisory boards which aim at improving demand-oriented vocational training. The Quality Advisory Board in the Automobile Occupation was established in 2012, including teachers and technical experts from TOYOTA Bien Hoa, Ford, HUYNDAI Do Thanh and Chu Lai-Truong Hai Vocational College. In 2013, DCoHT established a Kitchen-Restaurant Quality Advisory Board with the participation of Saigon Tourist School, REX Hotel, Riverside Renaissance Hotel and Pandanus Resort.

The cooperation between the college, the business sector and VET authorities through the quality advisory board is shown in the bellow diagram (Figure 9.4).

**Figure 9.4: Cooperation between DCoHT and enterprises and respective stakeholders**



(Source: DCoHT)



### Functions of the Quality Advisory Board

The function of the Quality Advisory Board is to advise DCoHT on identifying training needs for the present and for the next 3-5 years; identify training objectives and learning outcomes for each occupation; propose changes in the curriculum aligned with the practice demand and international standards; recommend criteria for training quality assessment; propose time and location for students' internship and job placement; assess achieved results and suggest changes, if required.

The Quality Advisory Board aims at joint development of training programmes according to the enterprise standards and culture which are aimed at higher labour productivity and product quality. The Board also supports teachers' capacity building activities to improve teachers' competence in terms of occupational skills, work attitude and foreign language skills.

### Achievement of Quality Advisory Boards

For mechanics and automobile occupations: Based on the standards of Team 21-TOYOTA, the Quality Advisory Board (funded by VCCI and the Nordic Union of Employers) has developed a task-based training curriculum into a task group-based or job position-based training curriculum (e.g. regular car maintenance job).

For hotel and restaurant occupations: A network has been established between DCoHT, enterprises and TVET institutes (for example, Saigon Tourist College, Hoa Sen College, four-star and five-star hotels). As a result, information exchange and support for student internships have become effective. This network supports DCoHT and other TVET institutes to develop and improve the training quality in hospitality occupations and of the whole college.

Furthermore, the DCoHT has set up a Joint Quality Advisory Board which conducts a wide range of activities, for example: identifying training needs, developing coordination plans,

allocating resources between DCoHT and the enterprises, coordinating exchange of information between the parties; organising annual consortium meetings of the members in the business sector. During these meetings, representatives from enterprises attend classes and listen to students' presentations on their learning achievements. After that the representatives from the business sector provide feedback to help improve the students' performance.

Currently, the Quality Advisory Board at DCoHT is developing a training programme on soft skills which will be integrated into the lesson plans and training modules aimed to enhance students' work discipline.

### 9.2.2. Cooperative training programmes

#### Cooperative training at LILAMA-2

Within the framework of the Vietnamese-German "Programme Reform of TVET in Viet Nam", LILAMA 2 International Technology College is supported in providing demand-oriented qualified technical and vocational education and training based on occupational standards that were jointly developed with the business sector and are equivalent to German standards.

In 2016, LILAMA 2 made a significant step in developing occupational standards and cooperative training programmes for four industrial occupations in close cooperation with leading companies and professional associations in Viet Nam. These four occupations are "Mechatronics Technician", "Metal Cutting-CNC Technician", "Construction Mechanics Technician" and "Industrial Electronics Technician".

The occupational standards have been developed based on the demand of the Vietnamese business sector. German standards served as international benchmark and were adjusted according to the needs of the Vietnamese labour market. Strong

involvement of Vietnamese professional associations and more than 52 professionals of leading companies, supported by German experts, is one of the success factors.

Based on the developed occupational standards, comprehensive three-year cooperative training programmes were jointly developed with relevant stakeholders. In these training programmes, LILAMA 2 plays the role of a traditional vocational college for teaching common subjects and professional knowledge. Furthermore, the College has taken the role of an inter-company training centre where fundamental occupational skills are trained by qualified practical teachers in its state-of-the-art equipped workshops. Specific necessary occupational practical skills and knowledge are trained during the 3-year cooperative training programme mainly in the companies' workshops with structured on-the-job training phases. The equivalence between the content of the occupational standards and cooperative training programmes and the corresponding German standards is confirmed by the Chamber of Skilled Crafts of Potsdam and of Erfurt, Germany.

Since October 2016, high school graduates from Dong Nai and other provinces have been participating in the pilot cooperative training programmes. To build up and maintain the training cooperation between LILAMA 2 and the business sector, cooperation agreements were signed between the College and companies whose permanent advice is given to the College in the organisation, planning and implementation of the training phases and the trainees evaluation.

### **Cooperative training at College of Technology II**

The Viet Nam Vocational Education and Training Report 2015 introduced the Vietnamese-German "Programme Reform of TVET in Viet Nam" - Field of Activity 3: "TVET for Skilled Workers in the Wastewater Sector" which supports Ho Chi Minh City Vocational

College of Technology. After one year of implementation, the pilot programme has achieved considerable successes. In order to enhance the practicality of the training, companies are strongly involved in every decisive step of vocational training, such as developing the occupational standard, deriving the respective curriculum, as well as implementing training and conducting examination.

In the first year, 22 trainees of the pilot class completed three in-company training phases (total of three months) in different wastewater treatment plants. By performing concrete real tasks in a real working environment under the meticulous guidance of the in-company trainers (who had been trained before), the trainees obtained practical knowledge and skills more quickly and comprehensively. Before each in-company training phase begins, the college teachers usually discuss with in-company trainers in order to match the training content at the college and in the company so that the trainees can achieve the best learning outcomes.

In order to follow the cooperative training approach, the college needs to be flexible in developing and adapting the training plan in the college to align it with the production and maintaining plans of all companies. When the trainees come to the companies, they should be able to gain as many practical experiences as possible, and at the same time contribute to the productivity of the companies.

In 2016, the college teachers and in-company trainers participated in advanced training courses in Viet Nam and Germany within the intensive qualification programme including occupation-specific practical and pedagogical advanced training courses.

In the next two years, the trainees will have three more practical training phases in the companies; each phase will last from 1.5 to 3.5 months. In order to ensure the quality of the training outcomes, quality management

instruments like observations of the teachers and in-company trainers, interviews with teachers, in-company trainers and companies' leadership will continuously be applied both at the college and in the companies. Systematic and continuous feedback about the degree of practice and learner orientation of the training serves as a basis for further adjustments of the training programme and training methods in order to gradually improve the quality of teaching and learning.

### 9.3. Enterprise assessment of the graduates' competency

Within the framework of the Vietnamese-German "Programme Reform of TVET in Viet Nam", an enterprise survey was conducted in 2016 at 133 enterprises across the country which employ graduates from 12 TVET institutes. The TVET institutes selected for the survey include: colleges selected for special investment to become high-quality TVET institutes in accordance with Decision No. 761/QD-TTg, the TVET colleges supported by

the "Programme Reform of TVET in Viet Nam" and TVET institutes, which are willing to use the enterprise feedback instrument developed by the Programme (see the list of TVET institutes involved in the 2016 survey in Appendix 4).

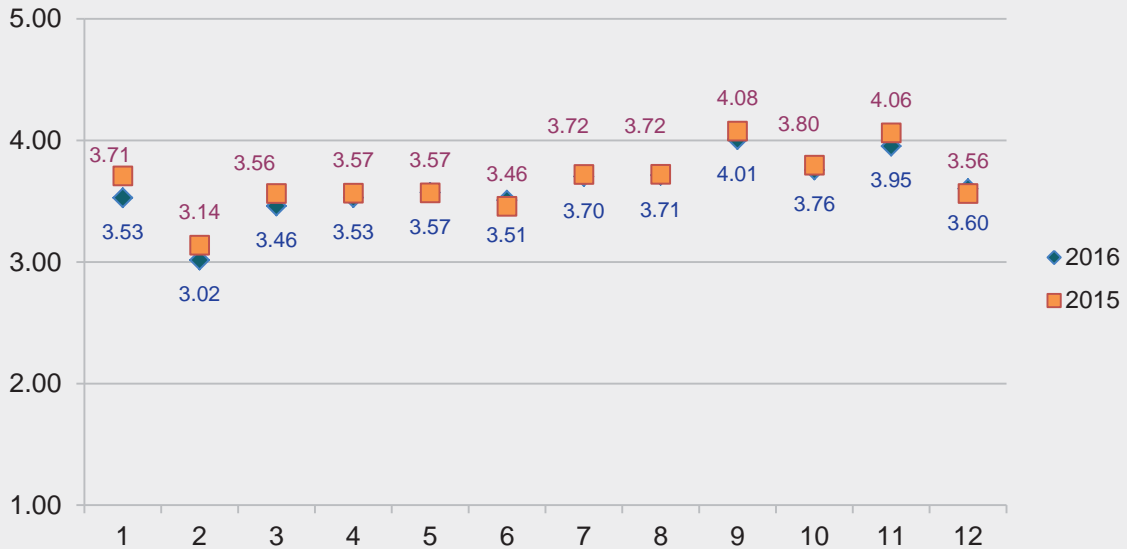
In 2015 there were 26 TVET institutes who participated in the survey. This report addresses the enterprises' feedback on the graduates' competencies of the same group of 12 TVET institutes who participated in both surveys in the period of 2015 - 2016 to show whether the students' competencies improved throughout these two years. TVET institutes are encouraged to conduct the same survey in the coming years. The results can be used to improve their training programmes and enhance students' abilities to meet the needs of enterprises. The figures in the following charts show the evaluation of the responding enterprises according to the Likert scale from 1 to 5 (where 5 is completely satisfactory and 1 is not satisfactory).

#### Box 9.1: Theoretical knowledge (key categories)

- |  |   |
|--|---|
| 1. Applied sciences (e.g. mathematics, physics, chemistry) | 8. Transportation and storage arrangements  |
| 2. Foreign language (e.g.: English)                        | 9. Occupational health and safety   |
| 3. Technology and production                               | 10. Environment protection and green technology   |
| 4. Manufacturing and processing                            | 11. Professional ethics   |
| 5. IT and telecommunications                               | 12. Resources management: Efficient use of energy and excess material/ recycling system |
| 6. Administration and management                           |   |
| 7. Quality regulations and standards                       |   |

*(Source: Enterprise surveys 2015-2016 - Programme Reform of TVET in Viet Nam)*

**Figure 9.5: Graduates' theoretical knowledge competence for 2015 - 2016**  
See Box 9.1 for key categories



(Source: Enterprise surveys 2015-2016 – Programme Reform of TVET in Viet Nam)

The survey results show that theoretical knowledge of graduates in 2016, in general, was a bit lower compared with 2015 (Figure 9.5). The most visible decrease is observed in:

(1) Applied sciences (e.g.: mathematics, physics, chemistry); (2) Foreign language (e.g.: English); (3) Technology and production; (11) Professional ethics.

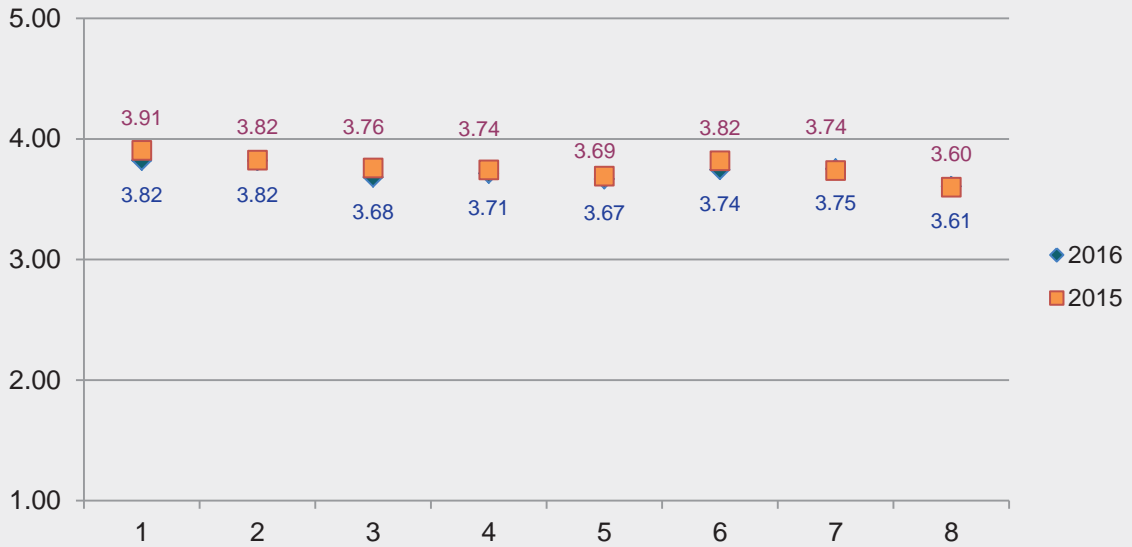
### Occupational skills: Hard skills

#### Box 9.2: Hard skills (key categories)

1. Handling and transportation of materials, tools, components, equipment and machines
2. Standard use of measuring, testing and calibration instruments
3. Installation and operation of production machines, equipment and tools
4. Operation in a production line in accordance with instructions
5. Assembly, installation, inspection of parts, equipment, machines and systems
6. Maintenance and repair/ replacement of parts, equipment/ machines
7. Use of maps, designs, drawings, and technical instructions
8. Efficient use of energy and excess materials/ recycling systems

(Source: Enterprise survey 2015-2016 - Programme Reform of TVET in Viet Nam)

**Figure 9.6: Graduates' occupational hard skills competence for 2015 - 2016**  
 See Box 9.2 for key categories



(Source: Enterprise surveys 2015-2016 – Programme Reform of TVET in Viet Nam)

The survey results related to hard occupational skills in 2016 (Figure 9.6) present a similar picture as compared to the occupational knowledge, where the graduates' competencies in all surveyed occupational skill items were evaluated as a little lower than in 2015. The most visible decrease, which TVET

institutes had to overcome in their training, were related to the skills of: (1) Handling and transportation of materials, tools, components, equipment and machines; (3) Installation and operation of production machines, equipment and tools; and (6) Maintenance and repair/ replacement of parts, equipment/ machines.

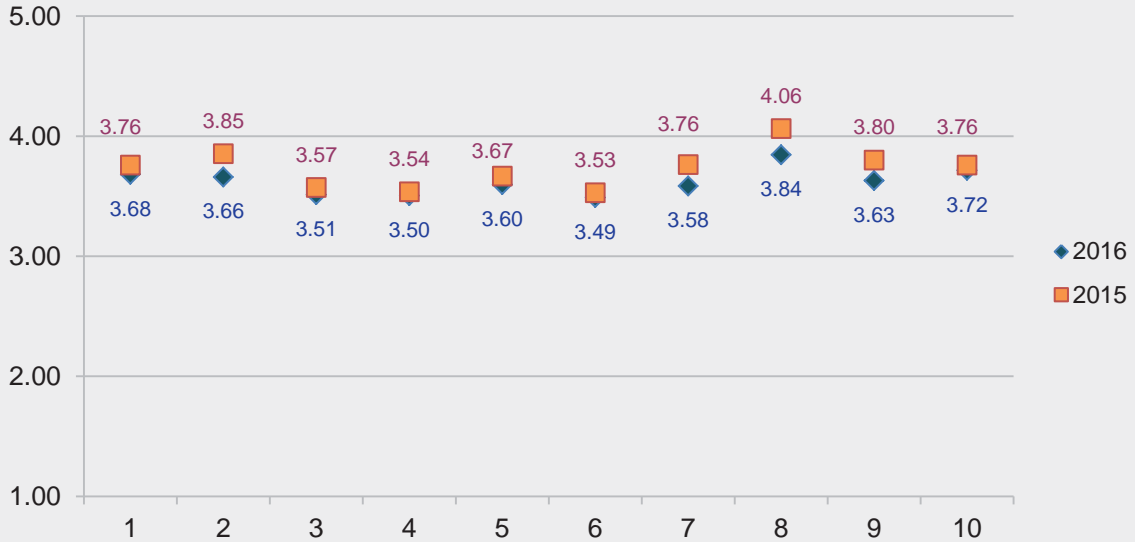
**Work skills - Soft skills**

**Box 9.3: Soft Skills (key categories)**

- |  |  |
|--|--|
| 1. Collect, process, and manage information                | 7. Support the implementation of training in the workplace               |
| 2. Work with others in a team                              | 8. Apply regulations on occupational safety and health                   |
| 3. Use concepts and mathematical techniques                | 9. Promote and apply measures to protect the environment and save energy |
| 4. Make decisions and solve problems                       | 10. Provide customer care services                                       |
| 5. Organise, plan and prioritize tasks                     |  |
| 6. Use computer technology, control equipment and software |  |

(Source: Enterprise surveys 2015-2016 - Programme Reform of TVET in Viet Nam)

**Figure 9.7: Graduates' soft skills competencies for 2015 - 2016**  
 See Box 9.3 for key categories



(Source: Enterprise surveys 2015-2016 – Programme Reform of TVET in Viet Nam)

According to the enterprise feedback, similar to occupational knowledge and hard skills, the soft skills competence of the graduates in 2016, in general, was lower compared with 2015 (Figure 9.7). Though the decrease was very small, this evaluation shows that TVET institutes need to spend more efforts on soft skills training to help their trainees better meet

the enterprises' practical requirements. The most noticeable decrease is observed in the following skills: (2) Work with others in a team; (7) Support the implementation of training in the workplace; (8) Apply regulations on occupational safety and health; and (9) Promote and apply measures to protect the environment and save energy.

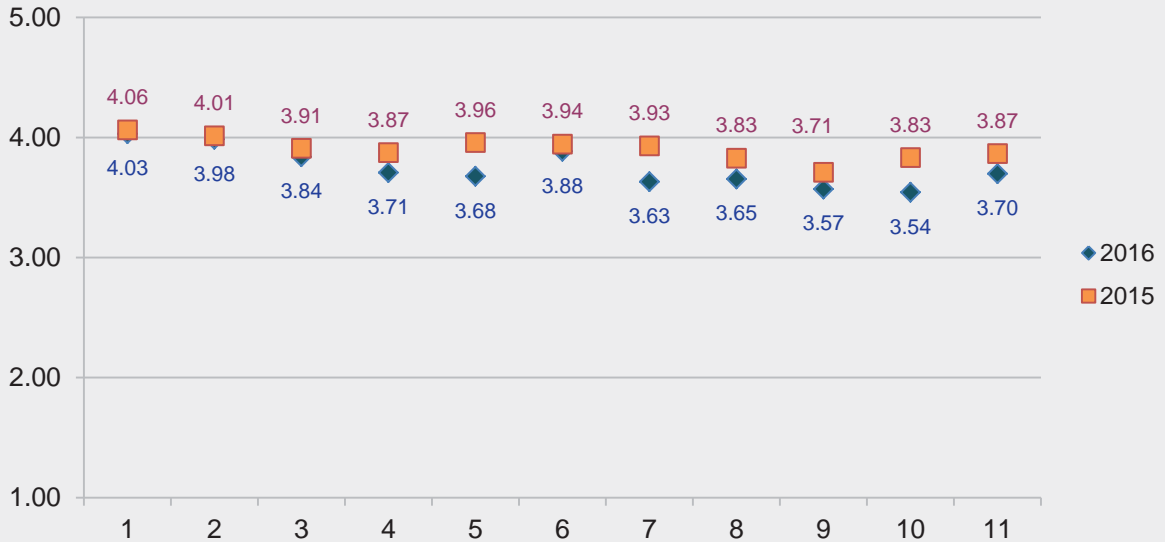
**Work attitude**

**Box 9.4: Work attitude (key categories)**

- |                                   |  |
|-----------------------------------|--|
| 1. Reliable and responsible       | 7. Flexible and adaptive                                 |
| 2. Straightforward and respectful | 8. Willingness to learn, career orientated and motivated |
| 3. Committed, loyal and dedicated | 9. Creative and innovative                               |
| 4. Accurate, careful and focused  | 10. Tolerant and patient with work pressure              |
| 5. Disciplined and punctual       | 11. Compliant with working etiquette                     |
| 6. Co-operative and supportive    |  |

(Source: Enterprise surveys 2015-2016 - Programme Reform of TVET in Viet Nam)

**Figure 9.8: Graduates' Work Attitude for 2015 - 2016**  
See Box 9.4 for key categories



(Source: Enterprise surveys 2015-2016 – Programme Reform of TVET in Viet Nam)

Similar to the assessment of soft skills, the work attitude of the graduates was rated low in 2016 compared with 2015 (Figure 9.8). TVET institutes should improve their training quality in this area. The work attitudes which were rated much lower than those in 2015 include: (5) Disciplined and punctual; (7) Flexible and adaptive; and (10) Tolerance, patience and resilience with work pressure.

The results of the enterprise assessment survey on the graduates' competencies serve

as useful information for TVET institutes to improve their training quality. In fact, as rated by enterprise, all of graduates' competency items were only slightly above the average and had not satisfied the enterprises' demand (see Table 9.1). Therefore, TVET institutes should improve their training quality and enhance the competencies of their graduates to better satisfy the enterprises' requirements.

**Table 9.1: Graduates' actual competencies in 2015-2016**

Competencies	2016 average	2015 average	Difference
Theoretical knowledge	3.61	3.66	-0.05
Occupational skills	3.73	3.76	-0.03
Soft skills	3.62	3.73	- 0.11
Work attitude	3.75	3.90	- 0.15

(Source: Enterprise surveys 2015-2016 - Programme Reform of TVET in Viet Nam)

### Conclusion and recommendations

The two surveys at 88 TVET institutes and at 79 enterprises indicate that only 32.8% of TVET institutes have cooperation with enterprises on a regular basis whereas 6.9% of the surveyed TVET institutes do not have any cooperation with enterprises. Regarding the surveyed enterprises, only 12.3% of them have regular cooperation with TVET institutes while 46.2% do not have cooperation with any TVET institutes.

The most common form of cooperation from enterprises is to receive trainees for internship at enterprises and to provide information on training needs. The participation of enterprises in the development of occupational standards, learning outcomes, occupational profile and curriculum development is limited. TVET institutes and businesses need to be more proactive in promoting and enhancing the efficiency of their cooperation in vocational

training. This collaboration must be built on the practical interests of the involved parties who want to improve the training quality.

The cooperation between TVET institutes and the business sector shows great benefits from the engagement of the business sector in vocational training for improving the efficiency of the demand-oriented vocational training. Cooperative training programmes in Viet Nam show that it is possible to involve stakeholders of the business sector in the process of developing occupational standards and training programmes and assessment of the training process and training delivery. The results of the enterprise feedback survey on the graduates' competencies serve as useful information for TVET institutes to improve their training quality. Based on the survey results, TVET institutes will be able to further define which students' competences need to be improved in order to meet the demand of enterprises.



## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

The Viet Nam Vocational Education and Training Report 2016 was developed in the context of a major change process in the state management of the TVET system in Viet Nam. In spite of incomplete statistical data, the report fairly reflects a diverse picture of the TVET system in Viet Nam in the changing process. With a focus on “Cooperation with the business sector in VET activities”, the report clearly describes and analyse main areas of vocational education and training, and provides key findings and policy recommendations for VET policy makers, particularly:

- The report gives an overview of policies for VET development, such as policies on VET socialisation and policies for promoting cooperation between TVET institutes and enterprises. It gives a brief introduction of the guiding documents issued in 2016 on the implementation of the VET Law as well as policy documents related to VET development.
- The status quo of the labour force and the situation of unemployment, under-employment, domestic labour demand, labour demand of enterprises, etc. are presented with statistical data provided by GSO, MoLISA and data obtained from researches and surveys conducted by NIVET. This information serves as a background for adjustment of VET activities to better meet the demand of the labour market.
- The network of TVET institutes as of 2016 is described according to the types of TVET institutes, types of their ownership and their distribution by socio-economic regions. In addition, the status of under-enterprise TVET institutes has been analysed. The assessment of the network of TVET institutes gives first hints for necessary reform in restructuring the network of TVET institutes in the near future. The results of the assessment also emphasise that VET management agencies needs more in-depth information to implement the restructuring process properly.
- The report provides information on admissions to VET in general, as well as admissions to vocational college, intermediate and elementary training and under-three-month training in particular. The report also gives information on admissions to TVET institutes by socio-economic regions and admissions to under-enterprise TVET institutes. In addition, the report analyses the status quo of graduates from vocational college, intermediate and elementary training and under-three-month training in different socio-economic regions. Information on job placement is also provided. The report emphasises that job placement is a key indicator of the success of the TVET system and should be systematically recorded.
- In spite of insufficient data, the report gives information on the teachers and management staff in under-enterprise TVET institutes, including their number, professional qualifications, occupational skills, foreign language competence and computer skills. This information can

be used for recommendations to improve the quality of the TVET management staff and teachers, particularly those in under-enterprise TVET institutes.

- The report reflects the status quo of NOSS development and NOS assessment, examination and certification, including compilation of NOS test items, organisation of NOS assessment, training, retraining and certification for NOS assessors.
- The report presents the status of accreditation activities reflected in the assessment of self-accreditation of TVET institutes, training and retraining of internal accreditors, international cooperation in VET quality assurance (in cooperation with GIZ and the British Council).
- The report provides data on financial sources for vocational education and training, which show the trends in the development of financial resources for vocational training during the period 2011-2016. The role of the state budget is analysed and compared with the role and potentials of non-state financial resources in VET activities. The report emphasises the effect of the socialisation in mobilising financial resources for VET activities.
- Cooperation with enterprises in VET activities is the main topic of the report, which is discussed as a cross-cutting issue in all chapters of the report. In addition, the report introduces the results of the surveys on the status of cooperation with enterprises in VET activities. Models of cooperative training are introduced. Furthermore, results of the surveys on enterprises' feedback on the competence of graduates from TVET institutes are analysed. The conclusions made from these surveys can be used to recommend measures to promote cooperation with enterprises in the future.

## Recommendations

Based on the analysis and assessment of the status of vocational education and training in 2016, the following recommendations are proposed for further development of the TVET system in Viet Nam:

1. To speed up the development and promulgation of legal documents on the implementation of the VET Law at the beginning of 2017 and 2018 in order to create a legal foundation for a reform and to improve the quality of vocational education and training; Continue the process of elaboration of policies for promoting cooperation with enterprises in vocational education and training.
2. To develop a functional monitoring system of VET information and statistics; Promote researches and forecasts on labour demand and training needs; Improve the quality of short-term, medium-term and long-term forecasts on human resources demand, employment needs and training needs for different sectors, occupations and qualifications; Research and pilot an electronic labour market (similar to a stock market) in order to match the labour demand (including number of workers and required work quality) and supply.
3. To develop a master plan on the basis of reliable data on the network of TVET institutes which is directed at standardisation, reduction of middle management agencies, increased admissions, improved quality and efficiency of operation (by dissolving TVET institutes that cannot meet the required criteria for investment and operation or TVET institutes that fail to work efficiently; by merging TVET institutes that train the same

occupations of the same qualification levels and are located in the same area in order to optimise the training scope, training quality and efficiency of TVET institutes); Encourage the establishment of new private and foreign-invested TVET institutes.

4. To promote vocational guidance and counselling at general lower and upper secondary schools; Implement streaming of graduates from general lower and upper secondary schools (by imposing a system of annual norms) to ensure that those students who fail to meet the requirements of upper-secondary schools will register in VET programmes; Enlarge the scope of vocational education and training in order to increase the number of trained workers;
5. To conduct a review and assessment of the capacity and qualifications of TVET teachers; Organise training and further training for TVET management staff and teachers on occupational, foreign language and computer skills; Build capacity for vocational teachers and trainers in enterprises and under-enterprise TVET institutes.
6. To develop and update NOSS to ensure NOSS compatibility with the occupational standards of the ASEAN-4 and developed countries; Develop and expand the system of NOS assessment, examination and certification which is connected with TVET institutes that teach key occupations, enterprises and large employers; It is necessary to develop a specific policy that defines the responsibilities and benefits of enterprises in establishing NOSS and conducting NOS assessment; Establishment of NOSS should be undertaken by industry and employers through Sector Skill Councils; Develop policies for salary categorisation and salary increase for workers who have obtained an NOS certificate.
7. It is important to strictly enforce the sanctioning of violations in the VET field and VET accreditation; Management agencies of TVET institutes should give guidance and supervise subordinate TVET institutes in the implementation of VET quality accreditation; TVET institutes should review, on an annual basis, their internal VET accreditation system and establish a quality accreditation department.
8. To improve the operations of public TVET institutes with a focus on dynamic development, creativity, autonomy and self-accountability; Reduce gradually the state budget investment in TVET institutes located in developed economic regions; Create favourable conditions for public and private TVET institutes, organisations and individuals from all economic sectors to deliver training services for the public, to participate in biddings for projects using domestic and foreign funds. It is necessary to apply a reasonable tuition fee policy depending on occupations in order to cover training expenses.
9. It is necessary to develop a mechanism for close cooperation between enterprises and TVET institutes, between TVET institutes and job service centres and job fairs in order to assist trainees to find jobs after graduation; Issue a complete list of occupations which have effect on health and safety and a list of occupations which require workers to obtain skills certificates and qualifications certificates for entering into the labour market; Encourage the participation of enterprises and professional business associations in the development of VET strategies, plans and policies; Pilot the model of sector skill councils in a number of priority areas; Develop models of Public Private Partnership in the field of vocational education and training and disseminate best practices of cooperation between TVET institutes and the business sector.

## APPENDIXES

### Appendix 1: List of legal documents on vocational education and training issued in 2016

No.	Date of issuance	Name of the document	Searching address
143/2016/ND-CP	14/10/2016	Decree issued by the Government defining conditions for investments in the field of education and training	Legal documents in the E-portal of Government and MoLiSA
37/2016/ND-CP	15/05/2016	Decree issued by the Government specifying guidance on the implementation of the Law on Occupational Safety and Sanitary and compulsory insurance for work accidents and occupational diseases	Legal documents in the E-portal of Government and MoLiSA
76/2016/NQ-CP	03/09/2016	Resolution adopted in the Government regular meeting in August 2016	Legal documents in the E-portal of Government and MoLiSA
73/2016/NQ-CP	26/08/2016	Resolution adopted by the Government to approve the policy for investment to national target programmes for the period 2016 - 2020	Legal documents in the E-portal of Government and MoLiSA
1981/QD-TTg	18/10/2016	Decision issued by the Prime Minister approving the framework of the national education system	Legal documents in the E-portal of Government and MoLiSA
1982/QD-TTg	18/10/2016	Decision issued by the Prime Minister approving the national qualifications framework of Viet Nam	Legal documents in the E-portal of Government and MoLiSA
46/2016/TT-BLDTBXH	28/12/2016	Circular issued by MoLISA on the Charter of college	Legal documents in the MoLISA E-portal
47/2016/TT-BLDTBXH	28/12/2016	Circular issued by MoLISA on the Charter of vocational secondary school	Legal documents in the MoLISA E-portal
43/2016/TT-BLDTBXH	28/12/2016	Circular issued by MoLISA specifying the policies of vocational training support applied for the target groups defined in Article 14 of the Government Decree No. 61/2015 / ND-CP dated July 9, 2015 on job promotion policies and National Employment Fund	Legal documents in the MoLISA E-portal

No.	Date of issuance	Name of the document	Searching address
10/2016/TT-BLDTBXH	16/06/2016	Circular issued by MoLISA on Amendment of Article 1 of the Circular No. 20/2015/TT-BLDTBXH dated 17/6/2015 issued by MoLISA on announcement of the list of minimum equipment required for training of vocational intermediate and college qualifications in the listed nationwide occupations	Legal documents in the MoLISA E-portal
11/2016/TT-BLDTBXH	16/06/2016	Circular on Amendments of Article 1 of the Circular 18/2015/TT-BLDTBXH dated 16/6/2015 issued by MoLISA promulgating the list of minimum training equipment required for training of vocational intermediate and college qualifications in the listed occupations	Legal documents in the MoLISA E-portal
19/2016/TT-BLDTBXH	28/06/2016	Circular issued by MoLISA providing guidance for implementation of selected articles in the Decree No. 31/2015/ND-CP dated 24/3/2015 issued by the Government on guidance for implementation of provisions on assessment of occupational skills and issuance of national occupational skills certificates specified in the Law on Employment	Legal documents in the MoLISA E-portal
152/2016/TT-BTC	17/10/2016	Circular issued by MoF regulating the management and use of funds to support elementary training and under-3-month training	Legal documents in the MoF E-portal
09/2016/TTLT-BGDDT-BTC-BLDTBXH	30/03/2016	Inter-ministry Circular issued by MoET, MoF and MoLISA specifying some articles of the Government Decree No. 86/2015/ND-CP dated 2/10/2015	Legal documents in the E-portal of MoLISA, MoET and MoF
14/2016/TTLT-BGDDT-BLDTBXH-BTC	16/06/2016	Inter-ministry Circular issued jointly by MoET and MoLISA on the implementation of the Prime Minister's Decision No. 152/2007/QĐ-TTg on scholarship policy for students and pupils studying in educational institutes in the national education system	Legal documents in the E-portal of MoLISA, MoET and MoF
12/2016/TTLT-BLDTBXH-BGDĐT-BTC	16/06/2016	Inter-ministry Circular issued by MoLISA, MoET and MoF providing guidance for implementation of Decision No. 53/QĐ-TTg dated 20/10/2015 issued by the Prime Minister defining the school boarding policies for vocational college and secondary school students	Legal documents in the E-portal of MoLISA, MoET and MoF

## Appendix 2: List of occupations licensed for NOS assessment as of 2016

No.	Occupations	No.	Occupations
1	CNC Metal Cutting	22	Operation and Repair of Refrigeration Equipment
2	Metal Cutting-Turning	23	Concrete
3	Mechatronics	24	Water Supply
4	Automotive Technology	25	Rubber Production
5	Information Technology	26	Mechanical Equipment Manufacturing
6	Formwork - Scaffolding	27	Rural Electro-Mechanical Engineering
7	Industrial Electrics	28	Steel Reinforcement - Welding
8	Industrial Electronics	29	Electrical Measurement
9	Assessment of Coal Quality and Quantity	30	Electrical Installation and Control Technology in Industry
10	Welding	31	Techniques for Installation of conduits and pipework
11	Electricity System	32	Forestry Workers
12	Underground Electro-Mechanical Engineering	33	Installation of Water Pipes
13	Underground Mining Techniques	34	Computer Programming
14	Mining Construction Techniques	35	Civil Woodworks
15	Power Transmission Lines and Transformer Substations	36	Fine Art Carpentry
16	Garment Sewing	37	Computer Network Administration
17	Masonry - Finishing	38	Garment Manufacturing
18	Electric Testing	39	Repair of Sewing Equipment
19	Graphic Design	40	Drainage
20	Planting and Tending Rubber Trees	41	Crane operator
21	Planting and Tending Coffee trees	42	Operation and repair of electric pump stations

*(Source: Department of Occupational Skills, DVET)*

### Appendix 3: List of high-quality TVET institutes participating in the cooperation programme for the development of a quality assurance system at TVET institutes

<b>A</b>	<b>9 TVET institutes participating in phase 1</b>	<b>Institute from the UK</b>
<i>I</i>	<i>In the North</i>	
1	Vocational College of Agricultural Mechanics	Coleg y Cymoedd
2	Vietnam – Korea Vocational College	
3	Industrial Vocational College Hanoi	
4	Hue Tourism College	
<i>II</i>	<i>In the South</i>	
5	Nha Trang Vocational College	West College Scotland
6	Da Lat Vocational College	
7	HCM City Vocational College	
8	Can Tho Vocational College	
9	Kien Giang Vocational College	
<b>B</b>	<b>12 TVET institutes participating in phase 2</b>	
10	Vinh Phuc Vocational College	Loughborough College
11	Yen Bai Vocational College	
12	Vietnam – Korea Vocational College of Technology, Bac Giang	
13	Vocational College No. 20 – Ministry of Defence	Brockenhurst College
14	Vocational College No. 1 – Ministry of Defence	
15	Hai Phong Vocational College of Tourism and Services	
16	Central College of Transport 1	Coleg y Cymoedd
17	Central College of Transport 3	
18	Ba Ria – Vung Tau College of Technology	
19	Vinh University of Technology Education	Kingsway
20	Hue Industrial College	
21	Vocational College of Agricultural Mechanics	

**Appendix 4: List of 12 vocational colleges participating in the enterprise surveys  
in 2015-2016 Vietnamese-German “Programme Reform of TVET in Viet Nam”**

No.	TVET Institutes
1	Dong Nai Vocational College
2	HCM City Vocational College of Technology
3	Vocational College of Engineering and Construction, Bac Ninh
4	Vocational College Economics and Technology, Bac Ninh
5	An Giang Vocational College
6	Da Lat Vocational College
7	Vocational College LILAMA 2
8	Long An Vocational College
9	Ninh Thuan Vocational College
10	Ba Ria – Vung Tau Vocational College
11	Vietnam-Germany Vocational College of Technology, Nghe An
12	Vocational College of Irrigation and Mechanics



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## GLOSSARY

Enterprise	<p>Enterprises include: enterprises which are established and operate in accordance with the Law on Enterprise, cooperatives which are established and operate in accordance with the Law on Cooperatives and other economic institutions which hold a legal status as defined in the Civil Code.</p> <p><i>(Source: Article 3, Item 8, VET Law)</i></p>
Business sector	<p>The business sector refers to institutions, organisations and enterprises that are involved in manufacturing, trading and services in accordance with the legal regulations. The business sector includes: enterprises, business/sector associations, Vietnam Chamber of Commerce and Industry (VCCI) and Vietnam Cooperative Alliance (VCA).</p> <p><i>(Source: NIVET)</i></p>
TVET institute	<p>TVET institutes include: vocational education and training centres (VET centres), VET schools and colleges. There are three types of TVET institutes: public TVET institutes, private TVET institutes and foreign-invested TVET institutes.</p> <p><i>(Source: Article 1, Item 1, VET Law)</i></p>
Non-public TVET institute	<p>Non-public TVET institutes are those TVET institutes which are not owned by the State and whose infrastructure is not invested in and constructed by the State. Non-state TVET institutes include private TVET institutes and foreign-invested TVET institutes.</p> <p><i>(Source: Article 5, Item 2, VET Law)</i></p>
Other institutions which deliver vocational training	<p>Other institutions which deliver vocational training include educational institutes (universities, academies, centres for training and further training established under universities, academies, etc.) or other institutions (enterprises, under-enterprise training centres, VET-continuing training centres, etc.) that have registered to conduct VET activities.</p> <p><i>(Source: NIVET)</i></p>
Training institute	<p>Training institute is a term which is commonly used to refer to universities, TVET institutes and other educational institutes which are involved in professional training activities.</p> <p><i>(Source: NIVET)</i></p>

Educator in TVET institutes	<p>The term “educator” refers to both teachers and lecturers in TVET institutes and other institutions which deliver vocational training. An educator in a VET centre and a VET school is called a teacher, and an educator in a college is called a lecturer.</p> <p><i>(Source: Article 53, VET Law)</i></p>
National occupational skills standards (NOSS)	<p>National Occupational skills standards (NOSS) define the professional knowledge, practical competence and the abilities to apply this knowledge and competence at work that a worker should command in order to accomplish his/her job at each specified level of qualification in each occupation.</p> <p><i>(Source: Article 3, Item 3, Law on Employment)</i></p>
National occupational skills (NOS) assessment agency	<p>A National occupational skills assessment agency is an agency or an organisation which is licensed by MoLISA for providing national skills assessment and certification.</p> <p><i>(Source: Circular No.19/2016/TT-BLDTBXH)</i></p>
National occupational skills assessment period	<p>National occupational skills assessment period is the period for which the occupational knowledge, practical skills and compliance of occupational safety and labour sanitary procedures of the assessed person are assessed by a national occupational skills assessment agency.</p> <p><i>(Source: Circular No. 19/2016/TT-BLDTBXH)</i></p>
Non-state financial resources	<p>Non-state financial resources include tuition fees and enrolment fees income derived by TVET institutes from training, researches, production and services provided to the public and investment and donation made by domestic and overseas organisations and individuals to VET activities.</p> <p><i>(Source: NIVET)</i></p>
Expenditure for investment to basic construction for VET	<p>Expenditures for investment to basic construction include: expenditures for new constructions, renovation and upgrading of schools, classrooms, laboratories, workshops, libraries, work offices and equipment, which are used for teaching and learning and academic research in TVET institutes.</p> <p><i>(Source: NIVET)</i></p>
Unemployment	<p>Unemployment is the situation of not having a job and looking for a job and ready to work when there is a job opportunity during a reference period.</p> <p><i>(Source: Report of Labour and Employment Survey, GSO, 2016)</i></p>

**Unemployed** An unemployed person is a person who has been paying unemployment insurance and has lost his/her job or a person whose employment contract has been terminated but has not found a job.

*(Source: Article 3, Item 4, Law on Social Insurance)*

**Under-employment** Under-employment is the situation when the current job does not allow an individual to fully utilise his/her working time which results in a lower income compared with the minimum salary rate.

*(Source: <https://voer.edu.vn>)*

**Under-employed** An under-employed person is a person that works less than 35 hours per week and is willing to work more hours.

*(Source: Survey of Labour Force and Employment, GSO)*

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