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National Institute for Vocational Education and Training



VIET NAM
VOCATIONAL EDUCATION
AND TRAINING REPORT
2017

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FOREWORD

In the process of a fundamental and comprehensive reform of vocational education and training (VET), VET institutes have been making a gradual movement towards autonomy and accountability in their training operation. The autonomy of VET institutes has been implemented step by step since 2006 pursuant to Decree No. 43/2006/ND-CP dated 25/4/2006 and the subsequent Decree No. 16/2015/ND-CP dated 14/02/2015 issued by the Government to regulate the autonomy of public service institutions. The first achieved results of the autonomy implementation indicate positive changes of VET institutes. VET institutes are now more proactive in taking decisions on the implementation of their functions and duties and development of their organisational structure and management of financial resources. The strengthened internal management and more effective utilisation of resources help VET institutes develop their services, generate revenues, save costs and improve their efficiency.

However, the process of autonomy implementation of VET institutes is rather slow with no radical changes. The difference between the function of VET public service provision implemented by a state-managed institution and that of a VET institute remains unclear. Furthermore, the responsibility for accountability is not clearly defined both at the system level and the level of VET institutes.

In 2016 projects for piloting the renovation of operational mechanisms at three colleges in the period 2016-2019 were approved by the Prime Minister. The experiences and lessons learnt from these projects shall be used as recommendations for the development of comprehensive policies on autonomy of VET institutes nationwide.

As assigned by the Directorate of Vocational Education and Training (DVET), the National Institute for Vocational Education and Training (NIVT) has conducted the Viet Nam Vocational Education and Training Report 2017 to reflect multi-dimensional VET issues with the topic of autonomy of VET institutes in focus. Given the fact that in 2017 the three autonomy-piloting colleges had only completed one year of their three-year pilot projects, this report will only present the first results of the autonomy implementation and address selected issues related to the autonomy of VET institutes.

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 VET institutes
4. VET admissions and graduations
5. VET teachers and management staff
6. National occupational skills standards, assessment and certification of national occupational skills
7. VET quality assurance and accreditation

8. Financing vocational education and training

9. Cooperation with enterprises in vocational education and training

The Viet Nam VET Report 2017 was conducted based on the analysis of data provided by the authorities, namely the General Statistics Office of Viet Nam (GSO), the Ministry of Labour, Invalids and Social Affairs (MoLISA), DVET, Department of Employment in MoLISA, and the Ministry of Education and Training (MoET). It also includes data obtained from research and surveys conducted by NIVT.

The Viet Nam VET Report 2017 was developed within the framework of the trilateral cooperation agreement between NIVT, the Federal Institute for Vocational Education and Training (BIBB) of Germany and the 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). Aside from that, representatives of various departments and units of DVET participated in the development process of the report. A number of workshops, roundtable meetings 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 state management agencies.

This report will also be published on the website of NIVT (www.nivet.org.vn), on the website of the Vietnamese-German Programme “Reform of TVET in Viet Nam” (www.tvet-vietnam.org) and on the website of the Federal Institute for Vocational Education and Training (BIBB) (www.bibb.de). NIVT (under DVET) has the copyright of the report.

It is certain that there are inevitable shortcomings in the Viet Nam VET Report 2017 due to limited capacities and resources. The Editor’s Board hopes to receive readers’ feedback and comments. Please send and/or email your feedback to the National Institute of Vocational Education and Training. You can also let us know your comments by completing the online survey on our website <http://www.nivet.org.vn>.

The Editors’ Board

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The annual Viet Nam VET Report 2017 was conducted by the researchers of NIVT with the technical assistance of GIZ staff from the Programme “Reform of TVET in Viet Nam”, BIBB experts and in consultation with external VET experts. The report was developed on the basis of the Viet Nam VET reports of 2011, 2012, 2013-2014, 2015 and 2016.

The report was conducted by a group of authors, including: Dr Nguyen Quang Viet (Editor), Pham Xuan Thu (MA), Dr Nguyen Duc Ho, Dr Tran Viet Duc, Nguyen Quang Hung (MA), Dang Thi Huyen (MA), Phung Le Khanh (MA), Nguyen Quyet Tien (MA), Le Thi Hong Lien (MA), Le Thi Thao (MA), Dinh Thi Phuong Thao (MA), Bui Thi Thanh Nhan (MA) and Nguyen Thi Mai Huong (MA).

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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 the Viet Nam VET Report 2017.

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Sincerely,

DIRECTOR OF NIVT

Dr Nguyen Quang Viet

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LIST OF ABBREVIATIONS

ASEAN	Association of Southeast Asian Nations
BIBB	Bundesinstitut für Berufliche Bildung - Federal Institute for Vocational Education and Training
DoLISA	Department of Labour and Social Affairs
DVET	Directorate of Vocational Education and Training
GDP	Gross Domestic Product
GDVT	General Directorate of Vocational Training
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GSO	General Statistics Office
IT	Information Technology
ILO	International Labour Organisation
JAVADA	Japan Vocational Ability Development Association
JICA	Japan International Cooperation Agency
MoET	Ministry of Education and Training
MoF	Ministry of Finance
MoHA	Ministry of Home Affairs
MoLISA	Ministry of Labour, Invalids and Social Affairs
NIVT	National Institute for Vocational Education and Training
NOS	National Occupational Skills
NOSS	National Occupational Skills Standards
ODA	Official Development Assistance
TVET	Technical and Vocational Education and Training
VCCI	Viet Nam Chamber of Commerce and Industry
VET	Vocational Education and Training
VET Law	Law on Vocational Education and Training
VET centre	Vocational Education and Training Centre
VETA	Viet Nam Vocational Education and Training Accreditation Agency
VT	Vocational Training
VTC	Vocational Training Centre

KEY FINDINGS

The year of 2017 marked a milestone of organisational change at all VET levels in compliance with the Law on Vocational Education and Training (VET Law). The Viet Nam VET Report 2017 was developed in the context of this change. Focusing on the topic of autonomy of VET institutes, the report reflects the following key findings:

1. VET institutes made positive progress in their implementation of autonomy as regulated by Decree No. 43/2006/ND-CP and the subsequent Decree No. 16/2015/ND-CP related to the autonomy of public service institutions. To further improve the autonomy-related policies in VET, the Government had approved pilot projects on renovation of most operational aspects at three colleges. However, many relevant existing legal documents had not been adjusted and modified to timely support the autonomy of VET institutes.

VET institutes have the right to take decisions on their job positions, their annual staff recruitment plans and human resources management based on the needs of their development. They can appoint job positions up to the level of vice rector. However, the procedure of the appointment of management positions is restricted by various regulations related to different ministries and local governments.

Within the frame of the pilot projects the colleges have the right to establish internal departments, divisions and centres to meet their organisational needs and development opportunities. Yet, the relevant existing documents do not fully support the appointments of new management positions for a newly established division/organisation.

The piloting colleges have the right to financial autonomy and can take independent decisions on the state budget expenditures and utilisation of assets and human resources for the effective fulfilment of their tasks and generation of income. The average income of VET teachers and management staff has gradually increased. However, due to the high VET costs, the prices of VET public services at autonomous VET institutes are actually higher than the pre-defined cost norms for training of the same occupation at the same qualification level. This will lead to increasing tuition fees and cause a certain pressure on learners and the society.

VET institutes started changing to an enterprise-like mode of operation and developing their training plans based on the demand of the labour market and the employers. However, the gaps of their management staff's and teachers' capacity still hinder the VET institutes from making full use of their potentials.

2. Numerous guiding documents on the implementation of the VET Law were issued to create a relatively complete and comprehensive supporting legal framework for VET at elementary, intermediate and college levels (Chapter 1).

Several guiding documents were issued in 2017 to provide for the implementation of the VET Law in regard to training programmes, policies for VET teachers and VET quality assurance. These circulars serve as reference for VET institutes to implement their training activities in accordance with the VET Law and start exercising their autonomy in relevant aspects.

Resolution No. 19-NQ/TW dated 25/10/2017 on the further reform of the organisational

and management system, improvement of operational efficiency and quality of public service institutions, and especially Government's Decision No. 899/QĐ-TTg dated 20/06/2017 approving the Target Programme on Vocational Education and Training – Employment and Occupational Safety for the period 2016-2020 were of great support for VET development. Furthermore, the regulations on permeability in training and the decisions issued by MoLISA to approve the list of key training occupations for private, foreign-invested and enterprise-owned VET institutes and other decisions were aimed at achieving a breakthrough in VET development.

Nevertheless, certain limitations were still observed in the VET policy making process. For example, there was a delay in the promulgation of guiding documents and some newly issued guidelines already needed to be adjusted and modified. A legal guiding document on the autonomy of public VET institutes had not been promulgated to provide specific guidance on the autonomy of VET institutes in their operation, organisation, personnel and financial management, and to define a clear roadmap for autonomy assignment to VET institutes. In the field of cooperation between VET institutes and the business sector, there was still a lack of strong legal regulations to define the responsibilities of enterprises in their recruitment and employment of trained workers and to promote enterprises to engage in VET and to cooperate with VET institutes in VET activities.

3. Labour market information serves as an important orientation for market-driven VET development. The labour force was unevenly distributed in different socio-economic regions across the country. University degree holders accounted for the largest percentage among the labour force with technical qualifications (Chapter 2).

The uneven distribution of the labour force in different socio-economic regions across the

country should be taken into consideration in the structuring and planning of the system of VET institutes. In 2017, the Red River Delta and the North Central and Central Coastal Area remained the two regions with the largest proportions of the total labour force (21.7 % and 21.6%, respectively), while the Central Highland Area had the smallest proportion of the labour force (6.6%).

Among the labour force with professional/technical qualifications, 44.7% had university degrees and above, 15.8% had college degrees, 24.0% had intermediate degrees, and 15.6% had elementary certificates. A correlational comparison among the numbers of people with different qualifications shows that for every 100 people with a university degree or above, there will be 35 people with a college degree, 54 people with an intermediate degree and 35 people with an elementary certificate.

The under-employed workers in urban areas accounted for 14.3% of the total under-employed while this percentage in rural areas was 85.7%. The Mekong River Delta had the highest under-employment rate (3.6%), which was 2.3 times higher than the average rate in the country (1.58%).

The 6.7% increase of the number of workers sent to work overseas compared with 2016 implied that the overseas labour market provided increased job opportunities. This was regarded as a motivation for VET institutes to increase the scope and quality of their training and get actively engaged in training services to meet the needs of this overseas labour market.

4. The network of VET institutes entered a process of reorganisation to achieve better training quality. It was observed that the number of VET institutes decreased compared with 2016. Secondary VET schools showed the highest number of decrease (Chapter 3).

In 2017, following the Decision adopted by the Prime Minister on the assignment of the

function of VET state management to MoLISA, MoET had partly transferred its function of state management of VET to MoLISA. With the exception of teacher training institutes, 219 professional colleges and 303 professional secondary schools were transferred to the VET system under the management of MoLISA. At the district level, training centres (including vocational training centres, continuing educational centres and general technical education-career guidance centres) were being merged as required by Circular No. 39/2015/ TTLT-BLDTBXH-BGDDT-BNV dated 19/10/2015 issued by MoLISA, MoET and the Ministry of Home Affairs (MoHA). As a result, by the end of 2017 there was a total of 1,976 VET institutes.

The process of assessment of the VET institutes network had started in the provinces and line ministries. It was directed at increasing the autonomy of VET institutes, and the merger and dissolution of VET institutes to meet the needs of the local/ministerial development.

The distribution of VET institutes in different socio-economic regions did not correspond to the size of VET admissions. The Eastern South had almost the lowest number of VET centres (which provide elementary and other vocational training (VT) programmes), while it had the highest number of admissions to the elementary and other VT programmes (see Chapter 4). Hence, it was essential to reorganise the network of VET centres in consideration of their capacity and the demand of the labour market.

5. A positive signal of better streaming of lower-secondary school graduates to VET was noticed. The number of lower-secondary school graduates enrolled in VET increased; VET admissions reached the planned target (Chapter 4).

The total number of students enrolled in VET in 2017 was 2,204,400 persons, which was a slight decrease compared with 2016

(2,367,654 persons). Of the total number of enrolments, 230,400 persons were enrolled in college training which was a decrease compared with 2016 (241,411 persons); 310,000 persons were enrolled in intermediate training, which was an increase compared with 2016 (147,096 persons); and 1,664,000 persons were enrolled in elementary and other VT programmes (in 2016: 1,836,012 persons).

VET institutes had defined enrolment as a key and crucial task in their operation and development. Therefore, they had implemented measures aiming at: increasing enrolment of school leavers to VET, improvement of training quality to create a good image; stronger cooperation with lower-secondary and upper-secondary schools in job counselling and streaming school leavers to VET, and closer linkage with enterprises for the purpose of job placement for VET graduates.

In 2017 job placement rate of college and intermediate training graduates reached over 80% upon graduation, of which job placement rate of college graduates was 79% and that of intermediate training graduates was 82%.

6. There was an improvement not only in the increased number of VET teachers but also in teacher qualifications. Yet, VET teachers need to further improve their occupational skills to meet the requirements of VET reform (Chapter 5).

The year of 2017 showed an increase not only in the number of VET teachers but also in their qualifications. The number of teachers with a master's degree or higher had doubled compared with 2016. The number of teachers with a bachelor's degree increased by nearly 1.4 times. Teachers with intermediate degrees decreased by 0.2 times while teachers with other qualifications decreased by 0.3 times. The main reason for the increased number of teachers with university degrees and higher might be explained by the increased number of teachers who came from the colleges that

had been transferred from the MoET-managed higher education system to the MoLISA-managed VET system.

According to the reports submitted by 53 provinces the number of teachers with occupational skills certificates accounted for 16.83% (11,692 persons) out of a total of 69,481 persons. This number indicated the remarkable weakness of occupational skills of the VET teaching staff, on the one hand, and the lack of a system-wide routine practice of assessment and recognition of VET teachers' occupational skills, on the other hand.

Though VET management staff possessed high-level qualifications, most of them had multiple job positions. Managers of the functional faculties were normally appointed from a pool of competent and successful teachers, and most of them had not obtained sufficient VET institute management skills. Capacity building and training of VET management skills for institute managers became an essential task especially in light of autonomy of VET institutes.

At the three autonomy-piloting colleges, the management staff and teachers became more aware of the importance of improved training quality, increased enrolment and students' competence and employability. These colleges had applied measures for effective utilisation of their financial resources. Therefore, the salary rate of the management staff and teachers had increased compared to the salary rate pre-defined by the Government. Allowances for management positions had also increased.

It is important to review and restructure the teaching staff who fail to meet the standard requirements by taking appropriate retraining measures while ensuring the compliance of regulations on benefits assurance for these teachers. More efforts should be taken to engage enterprises and employers in practical training and technological updates for VET teachers.

7. National Occupational Skills Standards (NOSS) are used as a basis for the development of learning outcomes and training programmes. The assessment and certification of National Occupational Skills (NOS) is not only aimed at recognising the employee's level of occupational skills but also contributes to VET standardisation (Chapter 6).

Since the enforcement of Decree No. 31/2015/ND-CP, until end 2017, 39 agencies were granted NOS assessment licences. Yet, no company had applied for registration of NOS assessment. The process of revision of the old NOSS and development of new ones was rather slow. In 2017, only two NOSS were developed and promulgated. The number of people who took NOS exams was infinitesimally small compared to the number of the labour force, and NOS assessment was mainly applied for selected occupations like for those occupations which may cause direct harmful effects to the safety and health of the workers/employees or the community.

In the context of global integration and mutual agreements between countries on skills and qualifications recognition, NOS assessment and certification can form an applicable basis to measure workers' performance in the regional and international labour market. Furthermore, at the VET system management level, awareness should be created that NOS assessment provides important information for the improvement of VET training quality. It serves as a reference for the development of market-oriented VET curricula and training programmes and serves as an instrument that measures the success of the VET reform work against international standards.

Therefore, it is important to communicate to all relevant stakeholders the NOS purposes, processes and benefits, and to issue policies and regulations on the rights and responsibilities of the business sector for their participation in the NOSS development and NOS assessment.

Furthermore, MoLISA should update, on a regular basis, the list of occupations for which a NOS certification is compulsory.

8. Legal guidance on VET quality accreditation was issued to stipulate the assessment and recognition of VET institute's activities (Chapter 7).

In 2017 two new Circulars were issued by MoLISA to provide for the quality assurance system of VET institutes and criteria and standards for VET institutes' self-accreditation. In 2017, self-accreditation was conducted by VET institutes, and self-accreditation reports were submitted to superior management agencies. Even though the number of VET institutes which submitted self-accreditation reports increased by 150 institutes compared with 2016, the percentage of VET institutes which submitted accreditation reports accounted for a considerably low percentage of 20.9%. Therefore, it is essential to raise awareness of the importance of VET quality assurance and accreditation in the context of autonomy of VET institutes and, at the same time, provide training on VET quality assurance and accreditation for management staff, teachers and other staff at VET institutes. Managing agencies at different levels should provide VET institutes under their supervision with instructions, directions and thorough monitoring of the VET quality accreditation process in accordance with legal regulations. Apart from that, administrative sanctions against violations related to VET quality accreditation reporting should be enforced in practice.

It is important to encourage VET institutes to assess their current status quo, to establish institutional quality assurance processes and instruments, and at the same time, to develop and improve the rules for operating/managing the institutional quality assurance information

system. In the context of enhanced autonomy of VET institutes, an effective accreditation routine would facilitate the accountability of VET institutes and help strengthening the supervision role of the society in regard to the VET quality.

Within the frame of the Programme "Reform of TVET in Viet Nam" the transfer of the developed quality assurance instruments to be used for VET institutes' quality management systems in 2017 was in progress. The cooperation programme with the British Council for the development of the VET quality assurance system in selected VET colleges was evaluated.

9. State budget remained the major and most important financing source for vocational education and training. A Target Programme on Vocational Education and Training – Employment and Occupational Safety for the period 2016-2020 was approved by the Prime Minister (Chapter 8).

The state budget remained the major and most important financing source for vocational training in the country and played a decisive role in the development of the VET system. During the period 2011-2016 there was a yearly increase of the ratio of the state budget for vocational training in GDP, in the total state budget as well as in the total budget for education. In 2016, state budget spending on vocational training accounted for 0.52% of GDP, 1.25% of the total state budget and 8.12% of the total state budget for education.

In 2017 the Prime Minister approved the Target Programme for Vocational Education and Training - Employment and Occupational Safety for the period 2016-2020. The Project "Reform and Improvement of VET Quality" is one component of this Programme. The total budget of the Project is 12,197.2 billion VND (equal to 537,724,287 USD)¹, of which: 157.2

¹ The amounts translated from VND into USD in this report are converted at the exchange rate of 1 USD = 22,683VND (Average exchange rate applicable on the last day of the months in 2017 published by Vietcombank on website: <https://www.vietcombank.com.vn/exchangerates/default.aspx>).

billion VND (6,930,300 USD) is development investments from the national state budget; 7,495 billion VND (330,423,665 USD) is non-business funding from the national state budget; 2,800 billion VND (123,440,462 USD) is from the local state budget (of which: 1,600 billion VND was development investments, and 1,200 billion VND is non-business funding); 625 billion VND (27,553,675 USD) is from ODA sources (as non-business funding); and 1,120 billion VND (49,376,185 USD) is from other sources (as non-business funding). The Project's overall objective is to support a comprehensive and dynamic reform of fundamental VET aspects, including VET policies, competency-based and learning outcome-based training and improved quality of market-oriented training in the context of ASEAN and international integration.

Along with various measures for the mobilisation of diversified financial resources for VET development, it is crucial to improve the effectiveness of state budget expenditures for VET, to change the mechanism of state investments to VET institutes and strengthen

the autonomy and accountability of public VET institutes.

10. The number of enterprises which cooperated with VET institutes in training was still limited; there was a lack of close and regular cooperation in training (Chapter 9).

Only 7.52% of enterprises cooperated with VET institutes in training. This implies that the current privileged policies to engage enterprises in VET activities were not sufficiently attractive for enterprises. Also, the mutual benefits must become more recognisable.

According to the evaluation provided by many enterprises, VET graduates' competence was still unsatisfactory. VET institutes should frequently obtain information and analyse enterprises' evaluation of VET graduates' competence, and take timely, practical and relevant measures to improve their training quality.

CHAPTER 1

OVERVIEW OF VOCATIONAL EDUCATION AND TRAINING DEVELOPMENT POLICIES

The year 2017 was a key milestone for the VET system after the Government had officially assigned the function of VET state management to MoLISA. Several guiding documents on the implementation of the VET Law were issued related to training programmes, training delivery, policies for VET teachers, student affairs, and especially VET quality assurance. This chapter provides an overview of the guiding documents on the implementation of the VET Law and VET-related policies promulgated in 2017. As the key topic of the Viet Nam VET Report 2017 is the autonomy for VET institutes, this chapter also highlights the development of policies related to the autonomy of VET institutes.

1.1. Guiding documents on the implementation of the VET Law

1.1.1. Guiding circulars related to training programmes

The VET Law does not provide for a compulsory curriculum framework, and VET institutes have the right to develop their curricula and training programmes. In 2017 circulars were issued by MoLISA to provide regulations and guidance related to training programmes. In particular:

- Guidance on the procedures for the design, appraisal and issuance of training programmes; development and appraisal of training materials for intermediate and college training². This guidance has created a legal framework for VET institutes' autonomy in the development and delivery of training programmes and training materials, which are relevant for the training conditions of VET institutes and meet the requirements of the business sector.
- Promulgation of the list of grade-IV training occupations of intermediate and college levels³. The systematic coding and naming of the occupations on the list can be used for further development of various guidelines on the investment in, registration and management of VET activities.
- Regulations on the delivery of academic year-based or module/credit-based intermediate and college training programmes and rules for examinations and certification⁴. These regulations allow VET institutes to be independent and accountable for their own choices of academic year training or module/credit-based training approach while ensuring the training quality.
- Guidance on the formats of intermediate and college diplomas, diploma printing, issuing, monitoring, granting, revocation and annulment⁵. This guidance forms a legal basis for autonomy of secondary

² Circular No. 03/2017/TT-BLDTBXH dated 01/03/2017 issued by MoLISA

³ Circular No. 04/2017/TT-BLDTBXH dated 02/03/2017 issued by MoLISA

⁴ Circular No. 09/2017/TT-BLDTBXH dated 13/03/2017 issued by MoLISA

⁵ Circular No. 10/2017/TT-BLDTBXH dated 13/3/2017 issued by MoLISA

VET schools and colleges in training and certification, and at the same time, assuring their accountability before VET management agencies and the society.

- Regulation on the permeability of training in the VET system⁶: This regulation defines the permeability from the elementary to the intermediate training level and from the intermediate to the college level. It provides specific instructions on admissions, training duration, training programmes, recognition of equivalent learning outcomes, training arrangements, graduation certification and transcripts. This regulation promotes the permeability of training programmes provided by VET institutes, thereby bringing students and working people more opportunities for further training and career development.
- Requirements of the minimum volume of knowledge and competencies to be achieved by the learners upon their graduation from intermediate and college training⁷. These requirements serve as foundations for quality assurance in the curriculum development, training delivery and learning results assessment at VET institutes.
- Guidance for the delivery of joint training programmes⁸. The circular provides guidelines on the subjects and forms of joint training, arrangements for joint training, and rights and obligations of the concerned parties. VET institutes and companies are encouraged to offer joint training courses, in which they cooperate in the definition of learning outcomes, curriculum design, development of in-company trainers, organisation of admissions/recruitment, provision of in-company training, and signing training contracts with trainees. The circular also encourages the cooperation between VET institutes and enterprises, organisations and individuals in the training delivery and recognition of the training results in regard to several theoretical and practical training modules and subjects (including those of distance learning and self-study).
- Promulgation of the list of arduous, hazardous and dangerous occupations trained at intermediate and college levels⁹. The promulgated list can be used as the legal basis for VET institutes to apply the preferential treatment to their training of arduous, hazardous and dangerous occupations at intermediate and college levels.
- Promulgation of the list of in-demand but hard-to-enrol occupations of intermediate and college training¹⁰. The circular forms the regulatory basis for VET institutes to apply the preferential treatment to their training of in-demand but hard-to-enrol occupations at intermediate and college levels.
- Regulation on the in-service training for working people at college, intermediate or elementary training level¹¹. The regulation provides instructions on: training curricula and materials, training duration, training location and methodology, teachers' standards, students admissions, training delivery, examinations and certification for in-service training at college, intermediate or elementary level. The circular promotes a flexible and diversified training mode, which provides working people with better access to VET and more opportunities for upgrading their market-oriented

⁶ Circular No. 27/2017/TT-BLDTBXH dated 21/9/2017 and Circular No. 05/2017/TT-BLDTBXH dated 02/3/2017 issued by MoLISA

⁷ Circular No. 12/2017/TT-BLDTBXH dated 20/4/2017 issued by MoLISA

⁸ Circular No. 29/2017/TT-BLDTBXH dated 15/12/2017 issued by MoLISA

⁹ Circular No. 36/2017/TT-BLDTBXH dated 29/12/2017 issued by MoLISA

¹⁰ Circular No. 37/2017/TT-BLDTBXH dated 29/12/2017 issued by MoLISA

¹¹ Circular No. 31/2017/TT-BLDTBXH dated 28/12/2017 issued by MoLISA

occupational knowledge and skills for lifelong learning.

1.1.2. Guiding circulars related to the teaching staff at VET institutes

The VET Law defines that VET teachers should meet the required professional teacher standard. Therefore, there is an increasing need for training and skills upgrading for VET teachers. The Law also provides that VET institutes are independent in their human resource-related decisions. In this context, MoLISA has issued regulations and guidance for the implementation of the VET Law provisions related to VET teachers. In particular:

- Regulation on the recruitment, employment and further training of VET teachers¹². The circular regulates teachers' rights to further training, including allowances for training expenses, training requirements and training organisation. It serves as a legal basis for VET institutes to be independent and accountable for their decisions on teacher recruitment and capacity building aimed at better training quality.
- Regulation on the working regime for VET teachers¹³: The circular regulates teachers' tasks, teaching hours, class size, working duration, annual leave, overtime teaching, etc. for teachers at college, intermediate and elementary levels. It stipulates specific policies on VET teachers for VET institutes to apply while exercising their granted autonomy in teacher management.
- Standards for VET teachers' qualifications and competence¹⁴. These standards are applicable for VET teachers at college, intermediate and elementary levels.

They include requirements for teachers' competence (including qualifications, occupational skills, pedagogical skills, computer skills and foreign language proficiency). The circular serves as a legal basis for ensuring transparent and appropriate recruitment, further training and assessment of VET teachers in the context of the VET institutes' autonomy.

- Guidance on pedagogical training courses for elementary-level teachers; issuance and monitoring of pedagogical training certificates for elementary-level teachers: original and copy certificate formats¹⁵. Appendix 01 of this circular gives a detailed description of pedagogical training courses for elementary-level teachers. This circular contributes to the standardisation of elementary-level teachers in the VET system.

1.1.3. Guiding circulars related to VET quality assurance

The VET Law specifies VET quality assurance through VET accreditation¹⁶. MoLISA has issued the following regulations to guide the implementation of the VET Law provisions on VET quality assurance:

- Guidance for the preparation, appraisal and issuance of training-related economic-technical norms applicable in the VET sector¹⁷. This circular is the basis for the preparation of economic-technical norms to be used by VET institutes for cost-calculation and pricing of their training activities and training orders. These economic-technical norms help in improving the financial and quality management of VET activities and create a fair-play environment for public and non-public VET institutes.

¹² Circular No. 06/2017/TT-BLDTBXH dated 08/03/2017 issued by MoLISA

¹³ Circular No. 07/2017/TT-BLDTBXH dated 10/03/2017 issued by MoLISA

¹⁴ Circular No. 08/2017/TT-BLDTBXH dated 10/03/2017 issued by MoLISA

¹⁵ Circular No. 38/2017/TT-BLDTBXH dated 29/12/2017 issued by MoLISA

¹⁶ VET Law, Chapter IV – VET accreditation

¹⁷ Circular No. 14/2017/TT-BLDTBXH dated 25/05/2017 issued by MoLISA

- Standards and criteria for the accreditation of vocational education and training¹⁸. These standards and criteria are applicable for colleges, secondary VET schools and VET centres. The circular also introduces quality accreditation criteria and standards for elementary, intermediate and college training programmes (see Chapter 7 for more detailed information).
- Stipulation on the quality assurance system of VET institutes¹⁹. The circular specifies the principles, requirements and process for the development, operation, evaluation and improvement of the quality assurance system of VET institutes (see Chapter 7 for more detailed information).

1.1.4. Guiding circulars related to student affairs

The rights and responsibilities of students, the scope of student monitoring work and assessment of students' discipline are defined in the Regulation on student affairs at secondary VET schools and colleges²⁰. The regulation facilitates the provision of quality student services to ensure the achievement of VET goals by VET institutes.

1.1.5. Policies on the autonomy of VET institutes

The VET Law paves the way for the autonomy of VET institutes. For example, it states "to develop an open, flexible, diversified VET system towards standardisation, modernisation, democratisation, socialisation and international integration; permeability between different VET training levels and between VET training levels and other education and training levels".²¹

The Law also defines that "the State enables VET institutes to implement research and technological applications and to combine training activities with scientific research and production/business or services aimed at better training quality"²².

Article 25 of the VET Law prescribes the following:

1. A VET institute is entitled to autonomy in terms of the organisation and personnel, finance and assets, training and technology, international cooperation, VET quality assurance as regulated by law; and it is accountable to its state management agency, its trainees and the society for its organisation, operation management and quality assurance.
2. A public VET institute which can ensure its regular expenses and investments shall be entitled to comprehensive autonomy and accountability regulated by the Government.
3. A VET institute that is incapable of implementing its autonomy or violates the law during implementing its autonomy, depending on the seriousness of the violation, will be handled in accordance with the regulation of the law.

One objective of the fundamental and comprehensive reform of education and training is "to make a fundamental reform of education and training management and guarantee democracy and consistency; to grant stronger autonomy and accountability to education and training institutes with an emphasis on quality management"²³.

¹⁸ Circular No. 15/2017/TT-BLDTBXH dated 8/6/2017 issued by MoLISA

¹⁹ Circular No. 28/2017/TT-BLDTBXH dated 15/12/2017 issued by MoLISA

²⁰ Circular No. 17/2017/TT-BLDTBXH dated 30/6/2017 issued by MoLISA

²¹ Item 1 Article 6, VET Law

²² Item 8 Article 6, VET Law

²³ Resolution No. 29-NQ/TW endorsed in the 8th Conference of the Legislature XI Central Committee

The Government has promulgated a decree on the autonomy of public service institutions²⁴ (refer to the Viet Nam Vocational Education and Training Report 2015). In the VET sector, the Prime Minister issued three decisions²⁵, approving the projects for piloting renovation of operational mechanism at the Ho Chi Minh Vocational College of Technology, Vocational College Lilama 2 and Quy Nhon Vocational College, for the 2016-2019 period. These projects aim at piloting autonomy in training, research and technology transfer, international collaboration, cooperation with the business sector, organisational structure and personnel, finance and investment management. The accomplishments of these piloted projects shall be evaluated and reviewed for the subsequent promulgation of a decree, which is to prescribe the autonomy of public VET institutes.

The Party Resolution No. 19-NQ/TW dated 25/10/2017 endorsed in the 6th Conference of the Legislature XII Central Committee specifies the continuing reform of the management system and improvement of the operational effectiveness and efficiency of public service institutions. It defines a fundamental and comprehensive reform of public service institutions to ensure a light and reasonable organisational structure, capability of autonomy and good governance, effective and efficient operation that can help these institutions play a key role in the public service market. Public VET institutes should also change in this direction, and VET related policies should be institutionalised by specific guidance for implementation.

1.2. Policies on vocational education and training issued in 2017

In 2017 decisions and action plans were promulgated by the Prime Minister, MoLISA

and MoF to further promote VET development, in particular:

- Approval of the Target Programme for Vocational Education and Training-Employment and Occupational Safety for the 2016-2020 period stipulated in Decision No. 899/QĐ-TTg endorsed by the Prime Minister on 20/06/2017. The Programme's objectives are to support VET development, enhance the expansion of the labour market, improve the linkage between labour supply and demand, create jobs and increase overseas employment, ensure occupational safety and hygiene, promote decent work in connection with higher productivity, better working conditions, higher income and prevention of work accidents. One of the three projects within the Target Programme is the Project "Reform and Improvement of VET Quality". Its overall objective is "to support policies of a strong, comprehensive and fundamental VET reform, develop competency and learning outcome-based training, and create conditions for improved market-oriented VET quality and ASEAN and international integration".
- Decision No. 18/2017/QĐ-TTg dated 31/05/2017 issued by the Prime Minister specifies the permeability from intermediate and college training levels to the university level. The decision provides specific guidelines on the permeability between different training levels of formal and in-service training, conditions for admissions, reporting and disclosure of admission information, requirements for training applicants, training curriculum and training organisation. This decision forms the basis for training permeability, thereby encouraging learners in the VET system to pursue further studies.

²⁴ Decree No.16/2015/ND-CP dated 14/02/2015 issued by the Government

²⁵ Decisions No. 538/QĐ-TTg, No. 539/QĐ-TTg and No. 540/QĐ-TTg dated 04/4/2016 issued by the Prime Minister

- MoLISA's approval of the Action Plan²⁶ for the implementation of the Prime Minister's Decision No. 1982/QĐ-TTg dated 31/10/2014 for the Project "Applications of information technology in the management of and support to vocational training activities up to 2020". The Project activities are designed for the comprehensive modernisation of the IT infrastructure, development of online training and instructional supporting systems, establishment of an information system and database for occupational skills assessment and accreditation of VET quality. Activities are also designed for the standardisation of VET statistical indicators and reporting, VET management information system and database, and labour market database to support decision-making.
 - MoLISA's approval of the Action Plan for the implementation of the Prime Minister's Decision No. 1076/QĐ-TTg dated 17/06/2016 on the Master Plan for school-based physical education and sports development for 2016-2020 period and orientations towards 2025²⁷. This decision aims at providing students with better health and physical development, and a combination of school-based physical education with ethical and life skills education, thus contributing to the improvement of the education quality at VET institutes.
 - MoLISA's guidance for the implementation of several articles of the Government's Decree No. 113/2015/ND-CP dated 09/11/2015 on the special and preferential allowances, allowances for high-responsibility jobs, allowances for physical hardship, hazard and danger allowances paid to teachers working in public VET institutes²⁸. This is an incentive policy for VET teachers.
 - MoF's regulation on the management and utilisation of non-business budget for the implementation of the Target Programme for Vocational Education and Training -Employment and Occupational Safety for the 2016-2020 period²⁹.
 - MoLISA's approval of the list of key training occupations and the list of VET institutes which are allowed to select key training occupations in the 2016-2020 period with orientation towards 2025³⁰;
 - MoLISA's approval of the list of key training occupations and the list of private and foreign-invested VET institutes and VET institutes under state enterprises which are allowed to select key training occupations in the 2016-2020 period with orientation towards 2025³¹.
- The decisions on the list of key training occupations allow for more focused and effective investment in the context of modest financial resources for the VET sector. They create a legal corridor for autonomous institutes to consider and make proposal for annual development of new training occupations.

1.3. VET-related policies

In 2017 several VET-related policies were institutionalised in the decrees and decisions issued by the Government and the Prime Minister, in particular:

- The Prime Minister's decision on the promulgation of the education and training

²⁶ Decision No. 978/QĐ-LĐTBXH dated 25/6/2017 issued by MoLISA

²⁷ Decision No. 1061/QĐ-BLĐTBXH dated 05/7/2017 issued by MoLISA

²⁸ Circular No. 22/2017/TT-BLĐTBXH dated 10/8/2017 issued by MoLISA

²⁹ Circular No. 103/2017/TT-BTC dated 05/10/2017 issued by MoF

³⁰ Decision No. 1836/QĐ-LĐTBXH dated 27/11/2017 issued by MoLISA

³¹ Decision No. 1839/QĐ-LĐTBXH dated 28/11/2017 issued by MoLISA

index of the national education system³². The implementation of this decision is guided by Circular No. 04/2017/TT-BLDTBXH dated 02/03/2017 (see 1.1.1 of this Chapter).

- The Prime Minister's approval of the Project "Strengthening applications of information technology to support the management work, the training-learning activities and research work for better education and training quality for the 2016-2020 period and orientation towards 2025"³³.
- Clarification of several articles of the Law on Children³⁴: Article 20 of the Law on Children stipulates that children with special disadvantages shall be entitled to tuition fee exemption and reduction and compensation of learning expenses in accordance with the stipulations of the related Law on Education and the VET Law.
- Government's Decree on a safe, healthy and friendly educational environment and prevention against school violence³⁵.

Conclusions

The year 2017 was a key milestone for the VET system after the Government had officially assigned the VET state management function to MoLISA. Many guiding documents on the implementation of the VET Law were issued by MoLISA. The promulgated circulars form an important legal basis for the establishment of a VET quality assurance system and standards and criteria for the quality accreditation of VET institutes and VET programmes. Regarding curriculum development and training delivery, guiding circulars provide specific guidelines for academic year-based training and module-/ credit-based training, permeability in training,

minimum competence requirements for intermediate and college training graduates, joint training and in-service training. Regarding VET teachers, regulatory documents were issued on the professional standards for VET teachers, teacher recruitment, employment and training, and pedagogical training for elementary-level teachers.

The promulgated VET Law guiding documents create a legal basis for the autonomy of VET institutes in the implementation process. Among the legal guiding documents issued in 2017, Circular No. 03/2017/TT-BLDTBXH of MoLISA plays an important role in strengthening the autonomy and accountability of VET institutes in regard to training programmes³⁶.

Nevertheless, certain limitations were still observed. For example, there was a delay in the issuance of some guiding documents. Furthermore, some newly issued guidelines already needed to be adjusted and modified. Many objectives of the operational reform set forth in the autonomy-pilot projects at three colleges were not clearly defined which made it difficult to measure the results of their achievements. A decree on the autonomy of public VET institutes had not been promulgated to provide specific guidance on the autonomy of VET institutes in their operation, organisation, personnel and finance management, and to define a roadmap for autonomy assignment to VET institutes. In the field of cooperation between enterprises and VET institutes, there was still a lack of strong legal regulations to define the responsibilities of enterprises in their recruitment and employment of trained workers and to incentivize enterprises to engage in VET and to cooperate with VET institutes in VET activities.

³² Decision No. 01/2017/QĐ-TTg dated 17/01/2017 issued by the Prime Minister

³³ Decision No. 117/QĐ-TTg dated 25/01/2017 issued by the Prime Minister

³⁴ Decree No. 56/2017/ND-CP dated 09/05/2017 issued by the Government

³⁵ Decree No. 80/2017/ND-CP dated 17/7/2017 issued by the Government

³⁶ Circular No. 03/2017/TT-BLDTBXH dated 01/03/2017 issued by MoLISA

CHAPTER 2

VOCATIONAL EDUCATION AND TRAINING FOR THE LABOUR MARKET

VET is closely interrelated with the labour market. Therefore, information and data on the status quo of labour supply and demand, especially the workforce demand of enterprises, serve as important inputs for the planning and development of demand-oriented VET. In this context this chapter reports on labour supply, labour demand, salaries and wages as well as the job market. The data and information used in this chapter are obtained from the GSO's quarterly labour and employment surveys, MoLISA's surveys on the status quo of the labour and workforce demand in enterprises as well as other sources.

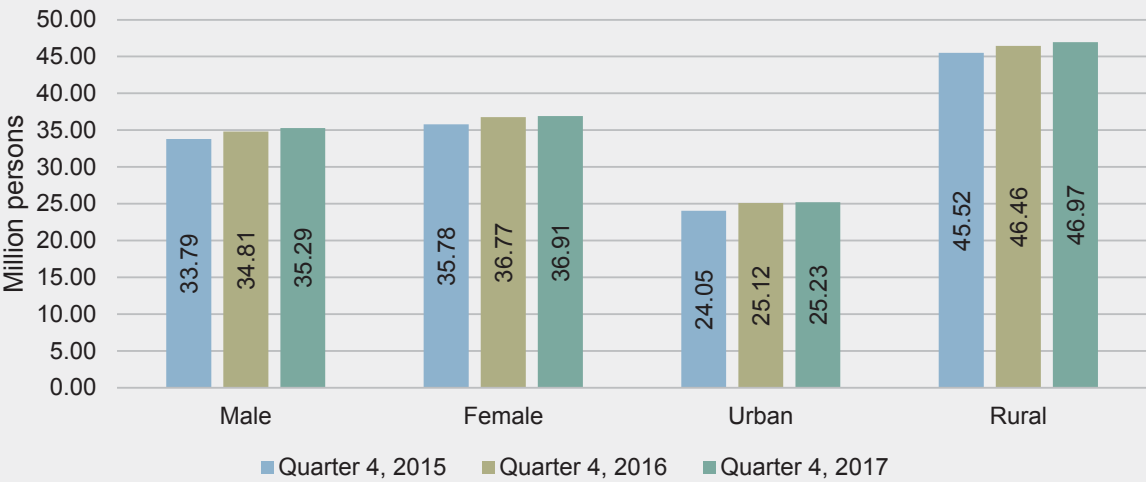
2.1. Labour supply

2.1.1. Population aged 15 and above

Figure 2.1 below provides an overview of the population aged 15 and above. By Quarter 4, 2017, the population aged 15 and above was 72.2 million persons which increased by

3.78% compared with the 4th quarter of 2015, of which 51.1% (36.91 million persons) were females and 48.9% (35.29 million persons) were males, with 34.9% (25.23 million persons) residing in urban areas and 65.1% (46.97 million persons) in rural areas.

Figure 2.1: Population aged 15 and above



Source: Calculations based on the Labour and Employment Survey, Quarter 4, 2015; Quarter 4, 2016; Quarter 4, 2017, GSO

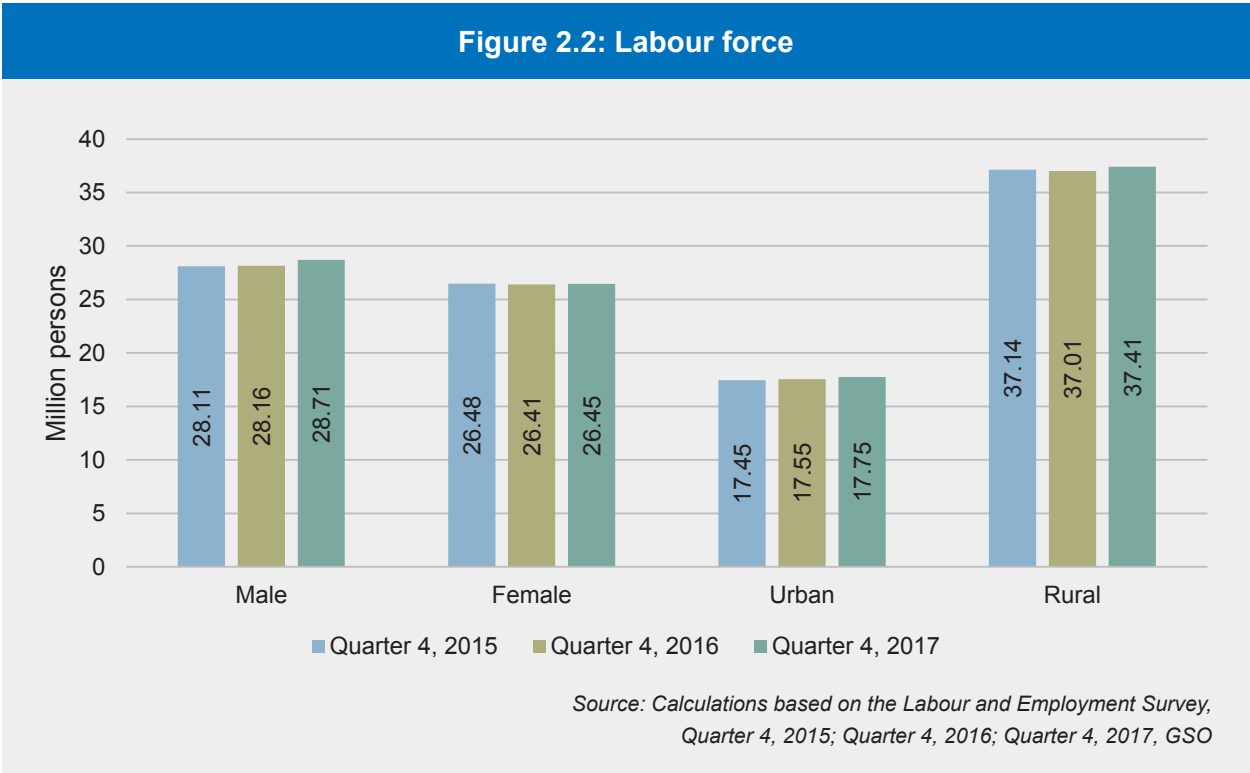
From the total population aged 15 and above, the population aged between 15-29 accounted for 28.1% (20.3 million people), of which males accounted for 51.3%, females accounted for 48.7%, with 34.2% (7.0 million persons) residing in urban areas.

2.1.2. Labour force

The labour force in the 4th quarter of 2017 was 55.16 million people, which increased by 1.04% compared with the 4th quarter of 2015. 48.0% of the labour force were females (26.45 million people), and 52.0% (28.71 million people) were males. More than two thirds of the labour force were concentrated in rural areas. Compared with 2015, the labour force in urban areas increased by 0.3 million persons, representing an average increase of 0.86%

per year during the period 2015-2017, while the labour force in rural areas increased by 0.27 million persons, representing an average increase of 0.37% per year.

The labour force participation rate among the population aged 15 and above was 76.9%. There was a significant difference between the labour force participation rate among males and females (male workers made up 82.1% of the total male population while female workers made up 72.0% of the total female population). The labour force participation rate was also different between urban and rural areas, with this rate being 70.7% in urban areas and 80.3% in rural areas. Figure 2.2 shows the number of the labour force by sex and by urban/rural areas during 2015-2017.

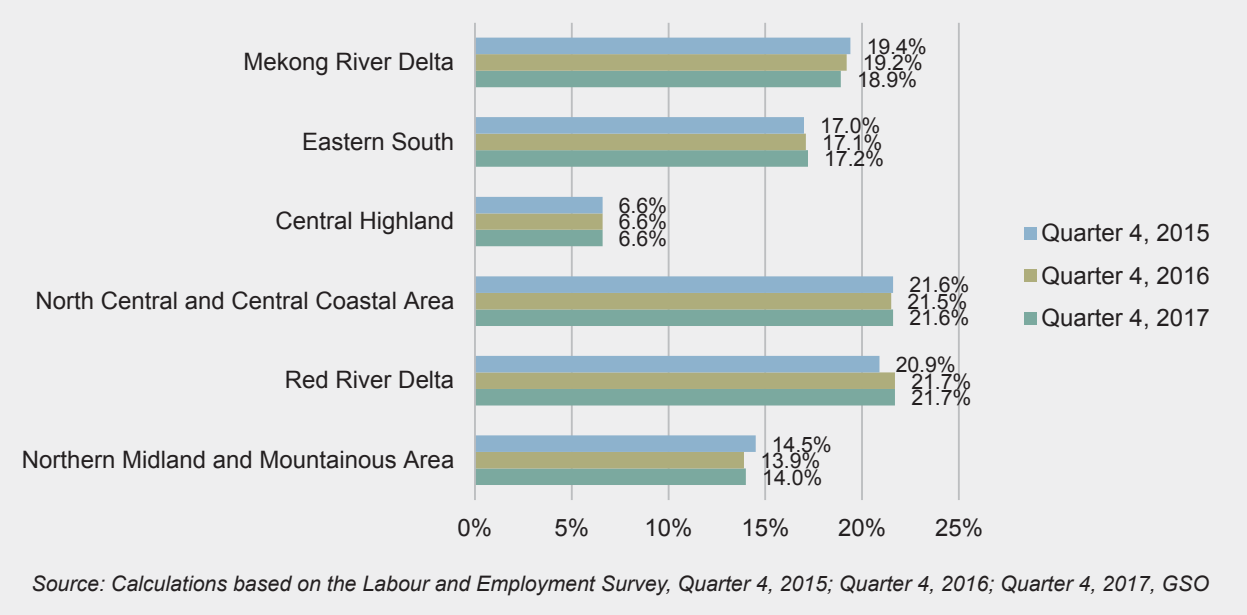


Concerning the age, 24.8% of the labour force was between the ages of 15-29 (13.7 million people) in 2017.

Figure 2.3 shows the labour force distributed by socio-economic regions. Accordingly, in 2017, the Red River Delta and the North Central and Central Coastal Area remained the two regions

with the largest proportions of the total labour force (21.7 % and 21.6%, respectively). 18.9% of the labour force was located in the Mekong River Delta while the smallest proportion of the labour force (6.6%) was situated in the Central Highland.

Figure 2.3: Labour force distributed by socio-economic regions (%)

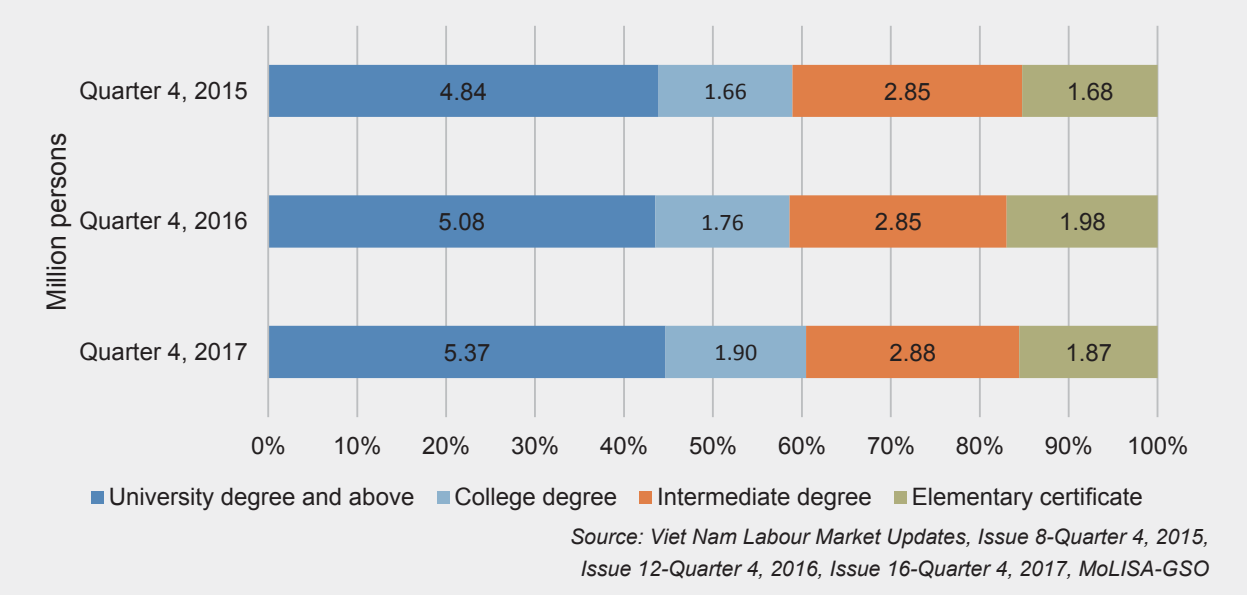


In Quarter 4, 2017, the labour force aged 15 and above with qualifications of at least a three-month-training certificate accounted for 21.8% (12.02 million people) of the total labour force, representing an increase of 9.0% compared with Quarter 4, 2015.

Figure 2.4 shows the qualifications structure of the labour force in absolute terms and in percentages. Indeed, 44.7% (5.37 million persons) out of those 12.02 million people

had university degrees and above, 15.8% (1.9 million persons) had college degrees, 24.0% (2.88 million persons) had intermediate degrees and 15.6% (1.87 million persons) had elementary certificates. A correlational comparison among the numbers of people with different qualifications shows that for every 100 people with a university degree or above, there will be 35 people with a college degree, 54 people with an intermediate degree and 35 people with an elementary certificate.

Figure 2.4: Labour force with technical/professional qualifications

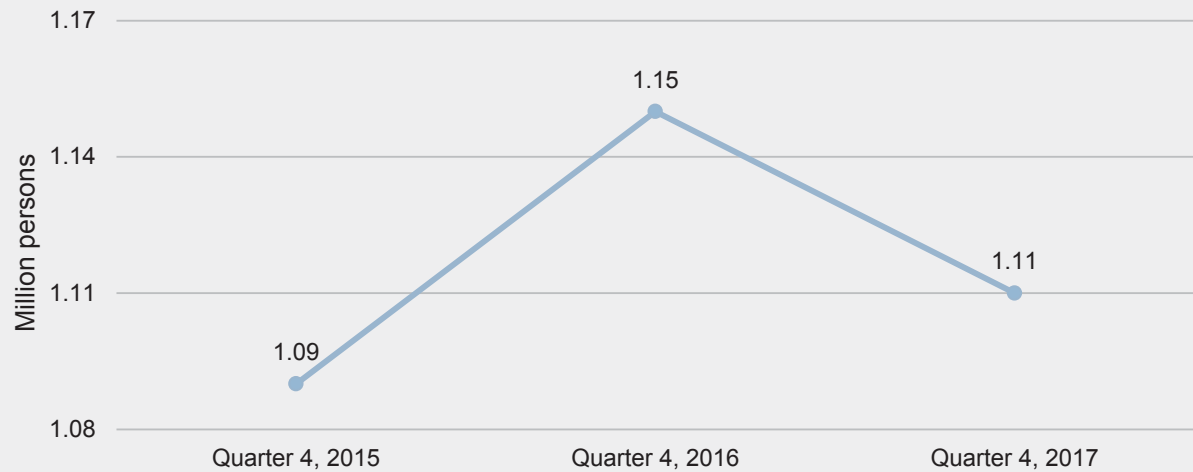


2.1.3. Unemployment

By Quarter 4, 2017, the total number of the unemployed accounted for 2.01% (1.11 million people) of the total labour force aged 15 and above. 65.4% of these unemployed were aged

15-29 (726,700 people). The percentage of the long-term (12 months or longer) unemployed made up 24.8% of the total unemployed (Figure 2.5).

Figure 2.5: Number of unemployed people

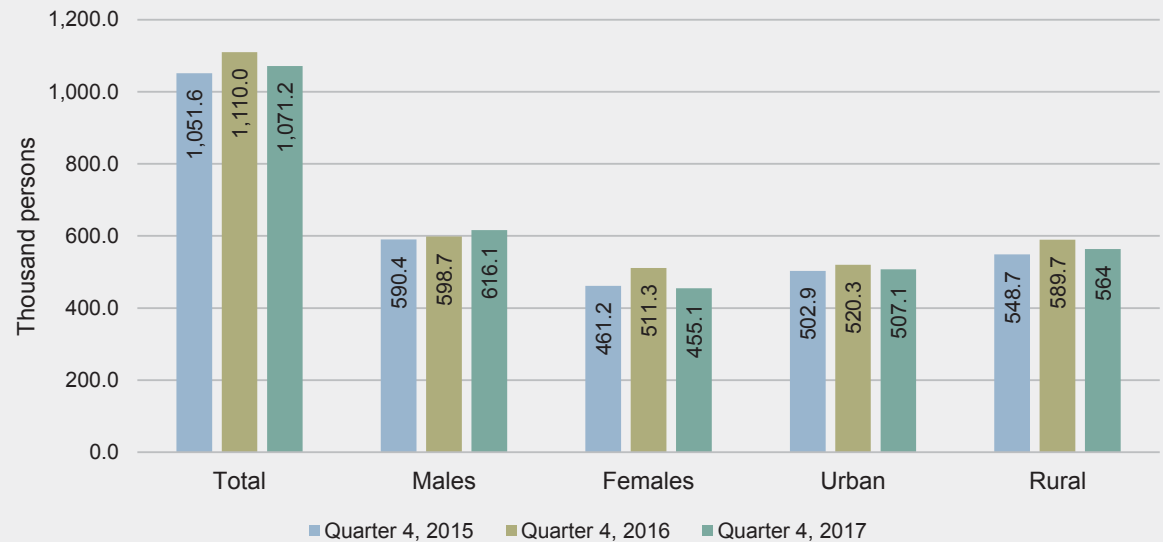


Source: Calculations based on the Labour and Employment Survey, Quarter 4, 2015; Quarter 4, 2016; Quarter 4, 2017, GSO

As of Quarter 4, 2017, the unemployment rate among the population in the working age was 2.21% (1,071,200 people). The unemployment rate of urban inhabitants was 3.13% and that of rural inhabitants was 1.74%. Male

unemployment rate was 2.34% while female unemployment rate was 2.05%. Figure 2.6 visualises the number of unemployed people at working age by sex and by urban/rural areas during 2015-2017.

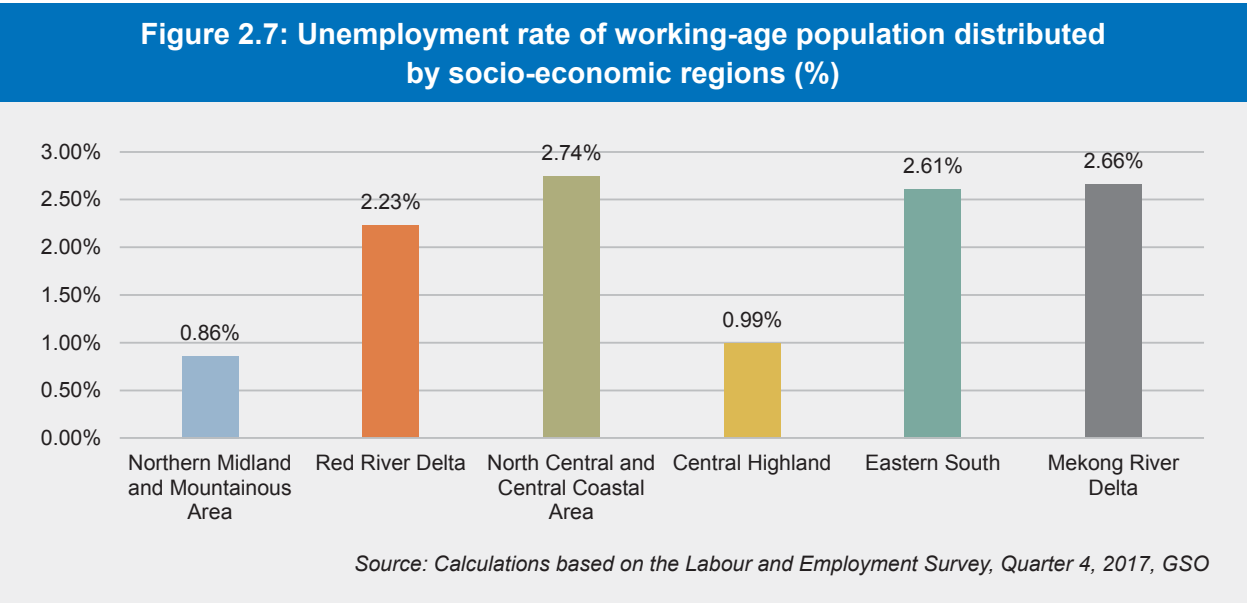
Figure 2.6: Number of unemployed people at working age



Source: Viet Nam Labour Market Updates, Issue 8-Quarter 4, 2015, Issue 12-Quarter 4, 2016, Issue 16-Quarter 4, 2017, MoLISA-GSO

However, there was a noticeable difference of the unemployment rates between different socio-economic regions as shown in Figure 2.7. The Northern Midland and Mountainous Area showed the lowest unemployment rate (0.86% - which was 2.6 times lower than

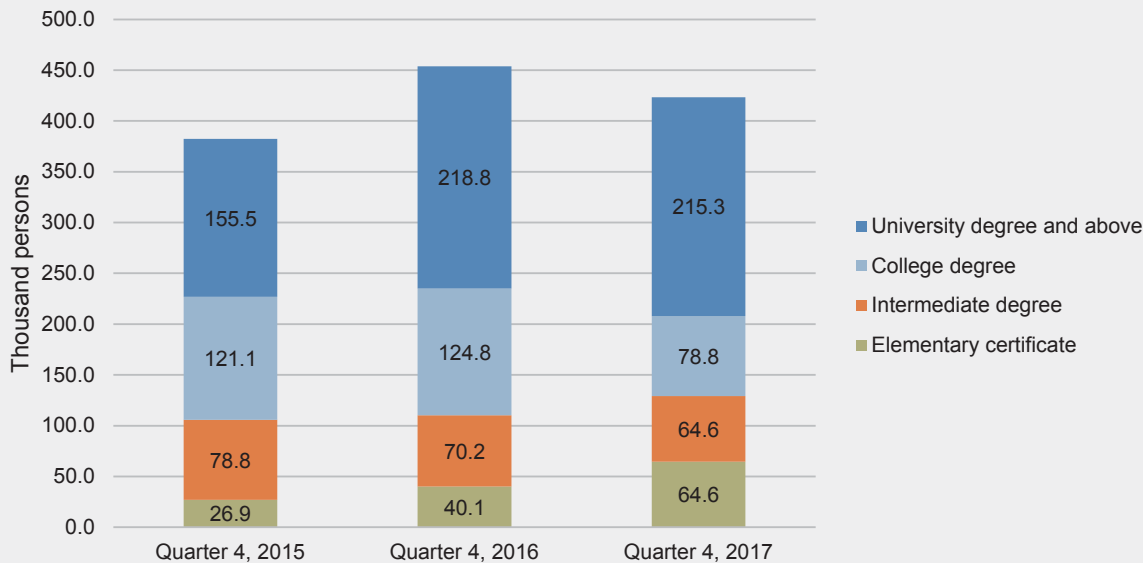
the national average of 2.21%). The second lowest unemployment rate was in the Central Highland (0.99%). The highest unemployment rates were observed in the North Central and Central Coastal Area (2.74%) and the Mekong River Delta (2.66%).



Of the unemployed at working age 39.52% (423,300 people) had elementary and higher qualifications. Figure 2.8 shows the distribution of the unemployed by qualifications. Accordingly, in 2017, the highest number of the unemployed was among people with a university degree and above (215,300 persons or 50.86%). The second highest unemployment figure was observed in the group with college

degrees (78,800 people or 18.62%), followed by the group with intermediate degrees and the group with elementary certificates which had the same number of the unemployed (64,600 people or 15.26%). Comparing with 2016, there was a huge decrease in the number of the unemployed with college degrees and a substantial increase of the unemployed with elementary degrees.

Figure 2.8: Number of the unemployed at working age distributed by qualifications



Source: Calculations based on the Labour and Employment Survey, Quarter 4, 2015; Quarter 4, 2016; Quarter 4, 2017, GSO

A correlational comparison among the numbers of unemployed people with different qualifications shows that for every 100 unemployed people with university degrees or above, there will be 37 unemployed people with a college degree, 30 unemployed people with an intermediate degree and 30 unemployed people with an elementary certificate.

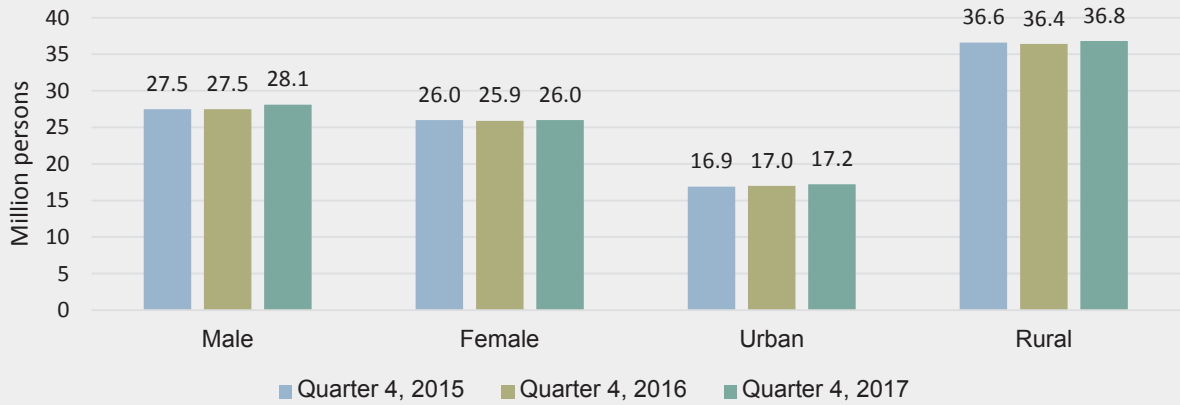
2.2. Labour demand

2.2.1. Domestic labour demand

Employed workers

By Quarter 4, 2017, there were 54.05 million employed people, which indicates an increase of 1.02% (550,000 people) compared with Quarter 4, 2015. The percentage of male workers was 51.9%, which was higher than female workers (48.1%). Figure 2.9 shows the number of employed workers by sex and by urban/rural areas. The figures indicate that the number of the rural employed was two times higher than the number of the urban employed. Rural working people accounted for 68.1%, and urban working people accounted for 31.9%.

Figure 2.9: Employed workers aged 15 and above distributed by sex and urban/rural areas

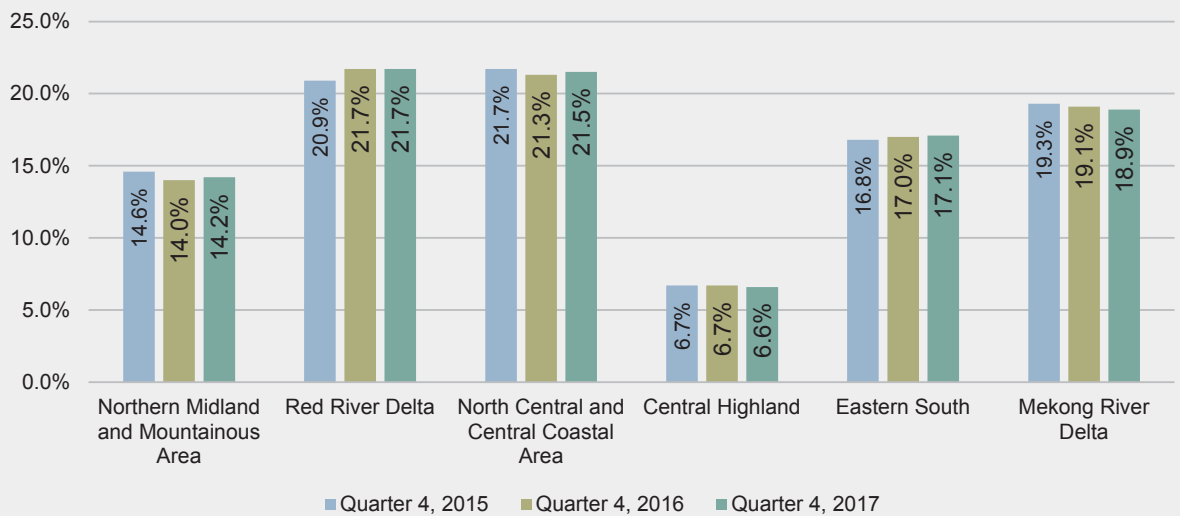


Source: Calculations based on the Labour and Employment Survey, Quarter 4, 2015; Quarter 4, 2016; Quarter 4, 2017, GSO

Figure 2.10 presents the distribution of the total employed workforce by socio-economic regions. It reveals that in 2017 the Red River Delta and the North Central and Central Coastal Area remained the two regions with the highest proportions of employed workforce in

the country (21.7% and 21.5%, respectively), followed by the Mekong River Delta (18.9%) and the Eastern South (17.1%). The Central Highland had the lowest percentage of employed workforce (6.6%).

Figure 2.10: Distribution of employed workforce by socio-economic regions (%)

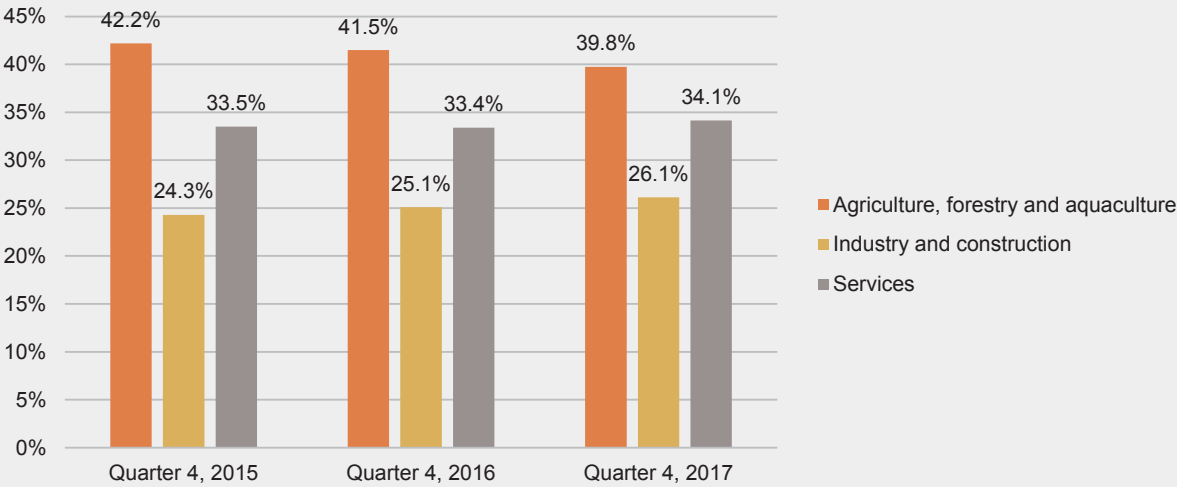


Source: Calculations based on the Labour and Employment Survey, Quarter 4, 2015; Quarter 4, 2016; Quarter 4, 2017, GSO

Figure 2.11 provides a picture of the employed workforce distributed by economic sectors. In 2017, most of the employed workforce was concentrated in agriculture, forestry and aquaculture (39.8%); the workers employed in services accounted for 34.1% of the total workforce; and the employed workforce in industry and construction was the lowest

(26.1%). Comparison of the employed workforce distributed by economic sectors during the period 2015-2017 showed a gradual decrease of the percentage of the employed in agriculture, forestry, aquaculture and a slight increase in the percentages of the employed in industry, construction and services.

Figure 2.11: Distribution of total employed workforce by industry sectors (%)

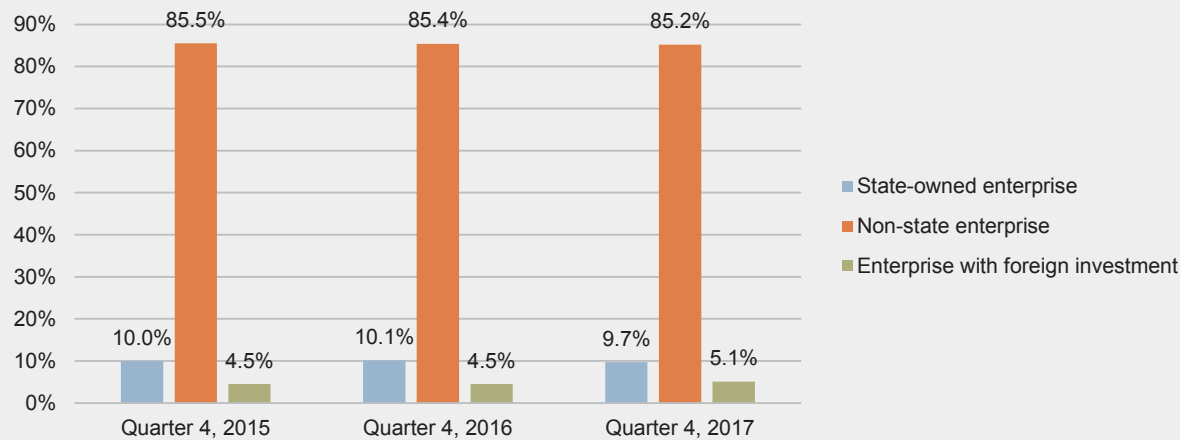


Source: Calculations based on the Labour and Employment Survey, Quarter 4, 2015; Quarter 4, 2016; Quarter 4, 2017, GSO

Figure 2.12 illustrates the distribution of the total employed workforce by types of enterprise ownership. Most of the employed workforce was concentrated in the “non-state” sector, accounting for 85.2% (which decreased by 0.3% compared with Quarter 4, 2015); those in

the “state-owned” sector accounted for 9.7% (which decreased by 0.3% compared with Quarter 4, 2015); and those in the “foreign-invested” sector accounted for a very small percentage of 5.1%.

Figure 2.12: Distribution of total employed workforce by types of enterprise (%)

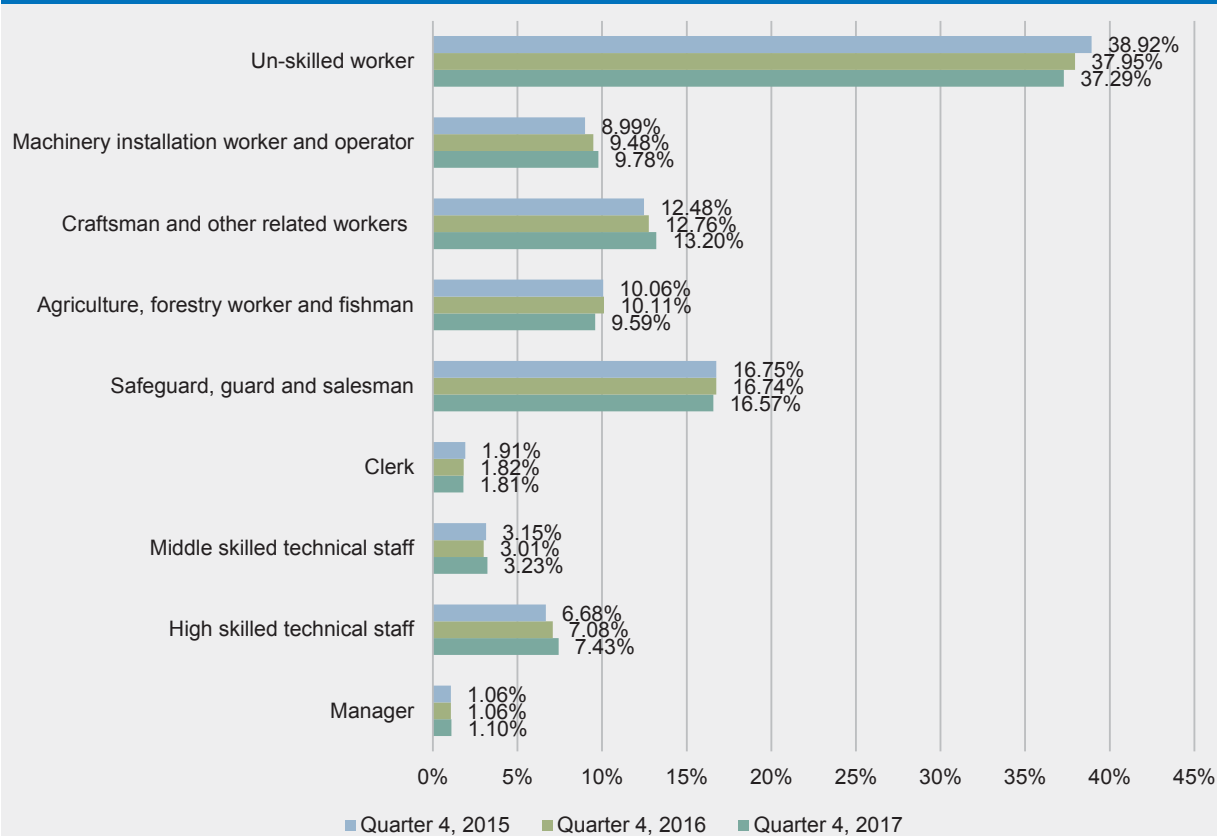


Source: Calculations based on the Labour and Employment Survey, Quarter 4, 2015; Quarter 4, 2016; Quarter 4, 2017, GSO

Regarding the distribution of the employed workers by occupations, Figure 2.13 indicates that in 2017, more than a third (37.29%) of the employed were working in jobs which require no professional qualifications although many of them had some technical skills. Personal guards, security guards and salespersons with basic

technical skills made up 16.57% while craftsmen and other related technicians accounted for 13.2%. Machinery installation workers and operators accounted for 9.78% while workers in the agriculture, forestry and aquaculture sectors accounted for 9.59%. Workers in other fields represented a negligible percentage.

Figure 2.13: Distribution of employed workforce by occupations (%)



Source: Calculations based on the Labour and Employment Survey, Quarter 4, 2015; Quarter 4, 2016; Quarter 4, 2017, GSO

As far as qualifications are concerned, in Quarter 4, 2017, 21.5% of employed people across the country had at least a three-month training certificate, of which 9.5% (5.16 million people) had a university degree and above; those who had a minimum of three-month training, intermediate and college qualification accounted for 12% of total employed people.

Under-employed labour force

Table 2.1 shows the number of under-employed workers by industry sectors segregated by sex and urban/rural areas. In Quarter 4, 2017, there were almost 800,400 under-employed workers. Under-employed males accounted for 48.5% while under-employed females accounted for 51.5%.

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

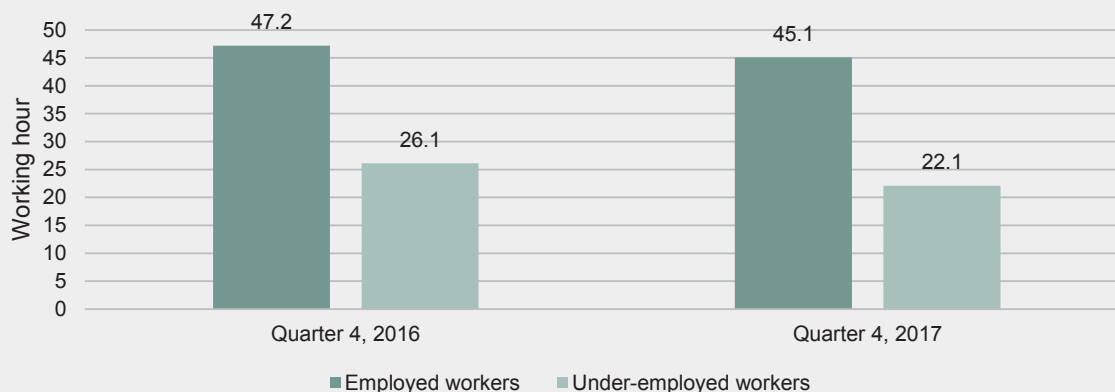
Industries	Total (1,000 persons)			Urban (1,000 persons)			Rural (1,000 persons)		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	800.4	387.9	412.4	114.6	49.6	65.1	685.7	338.4	347.4
Agriculture, forestry and aquaculture	612.8	278.3	334.5	49.1	20.3	28.8	563.6	257.9	305.7
Industry and construction	57.0	37.2	19.9	13.7	8.9	4.8	43.4	28.3	15.1
Services	130.6	72.5	58.1	51.8	20.3	31.5	78.8	52.2	26.6

Source: Calculations based on the Labour and Employment Survey, Quarter 4, 2017, GSO

In the 4th Quarter of 2017, the average working hours per week of the under-employed workers was 22.1 hours which was equal to

49% of the average working hours per week of the employed workers in the country (45.1 hours per week) (Figure 2.14).

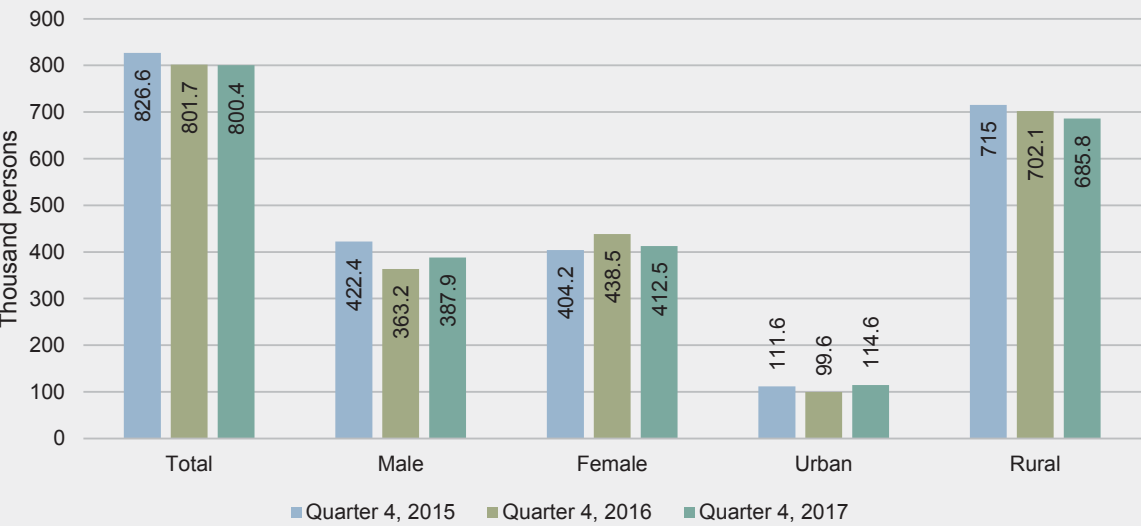
Figure 2.14: Average working hours per week of under-employed workers



Source: Vietnam Labour Market Updates, Issue 12-Quarter 4, 2016, Issue 16-Quarter 4, 2017, MoLISA - GSO

In Quarter 4, 2017 under-employed workers in urban areas accounted for 14.3% of the total under-employed while this percentage in rural areas was 85.7% (Figure 2.15).

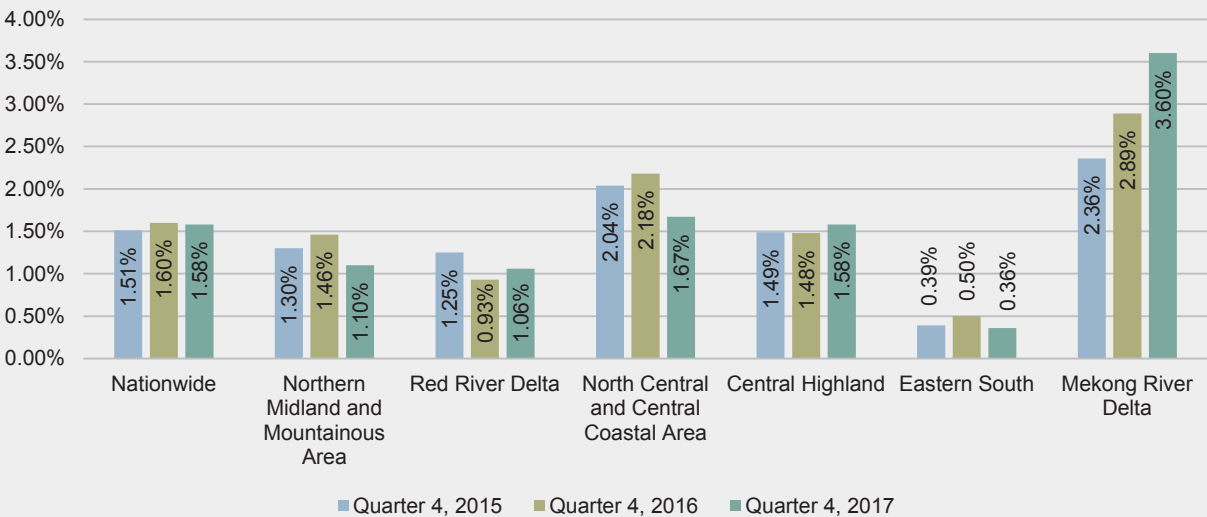
Figure 2.15: Number of under-employed workers by sex and by rural/urban areas



Source: Viet Nam Labour Market Updates, Issue 8-Quarter 4, 2015, Issue 12-Quarter 4, 2016, Issue 16-Quarter 4, 2017, MoLISA-GSO

There was a rather large difference in the under-employment rates between different socio-economic regions. The Mekong River Delta had the highest under-employment rate (3.6%), which was 2.3 times higher than the average rate in the country (1.58%), while the Eastern South had the lowest under-employment rate of 0.36% (Figure 2.16).

Figure 2.16: Under-employment rate by socio-economic regions (%)

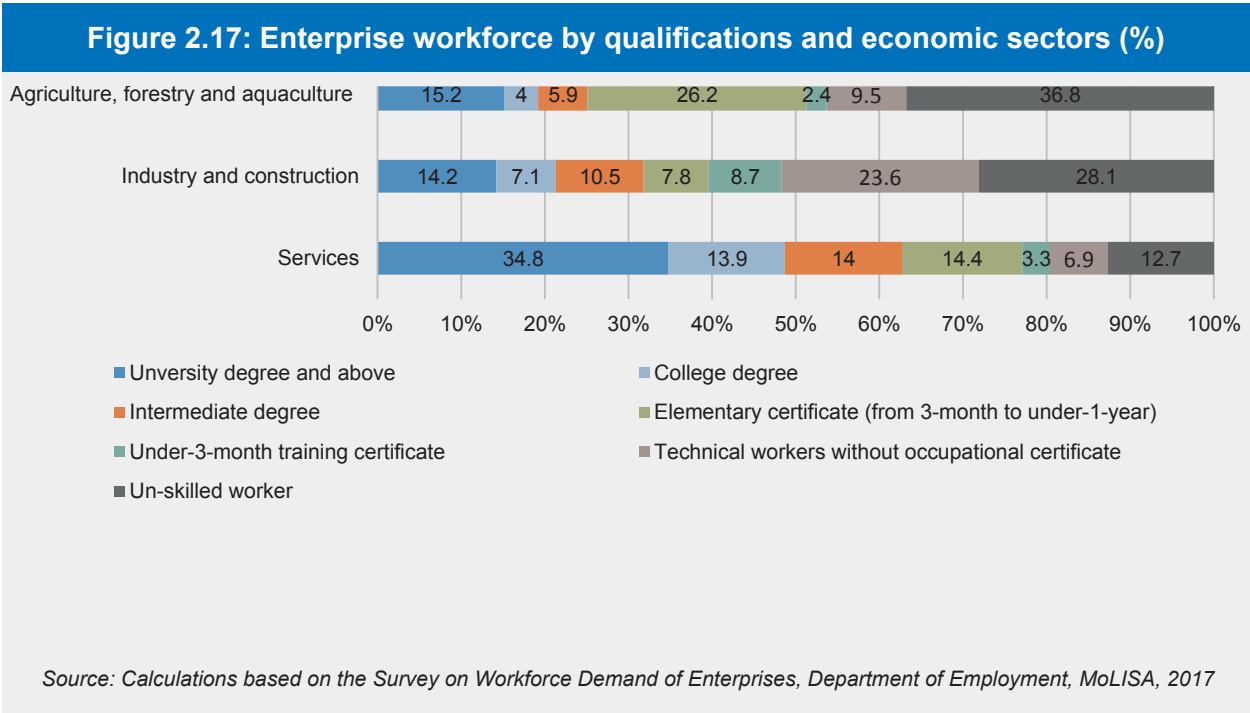


Source: Calculations based on the Labour and Employment Survey, Quarter 4, 2015; Quarter 4, 2016; Quarter 4, 2017, GSO

Labour demand of enterprises

The total number of people working in all enterprises across the country was approximately 13 million persons (out of the total labour force of 55.16 million people). Figure 2.17 visualises the distribution of enterprise workers by qualification levels and by industries. In total, the number of un-skilled

workers made up the highest proportion of 23.2%. Those with university degrees and above accounted for 21.0%; technical workers without an occupational certificate/diploma represented 17.8%; and people with remaining qualification degrees accounted for less than 12% (for each level).



2.2.2. Labour demand in overseas markets

By the end of 2017, there was a 13.3% increase in the number of organisations with an overseas employment service provision license compared with 2016 (2016: 278; 2017: 315), of which there were 61 state-owned enterprises, 210 joint-stock companies and 44 limited-liability companies.

In 2017, the total number of labourers sent to work overseas under contractual arrangements increased by 6.7% compared with 2016 (2016: 126,296; 2017: 134,751 people), of which 39.6% were female workers (53,340 people).

The number of people sent to work overseas

were distributed by TOP 5 countries as follows: Japan: 54,504 persons (of which: 24,502 females); Chinese Taipei: 66,926 persons (of which: 23,530 females); South Korea: 5,178 persons (473 females); Saudi Arabia: 3,626 persons (3,447 females); Malaysia: 1,551 persons (794 females).³⁷

2.3. Salaries and wages

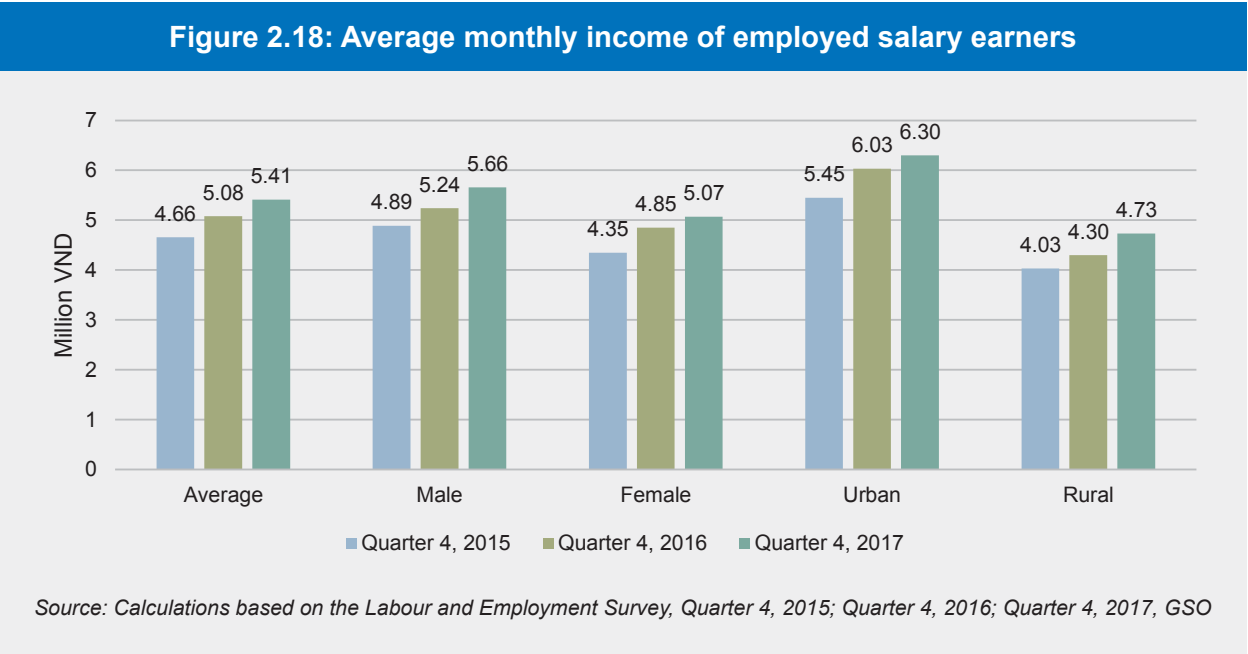
This subchapter only reports the income of employed salary earners, including salaries/wages, bonuses and work allowances (overtime, hazardous work allowances, etc.).

The average monthly income from the main

³⁷ Source: www.dolab.gov.vn

job of the employed salary earners increased by 16.1% from 4.66 million VND in Quarter 4, 2015 to 5.41 million VND in Quarter 4, 2017. On average in Quarter 4, 2017, men received 5.66 million VND (equal to 250 USD) per month while women received 5.07 million

VND (224 USD). Urban workers earned 6.3 million VND (278 USD) per month while rural workers received 4.73 million VND (209 USD) per month. Figure 2.18 gives an overall picture of this information.



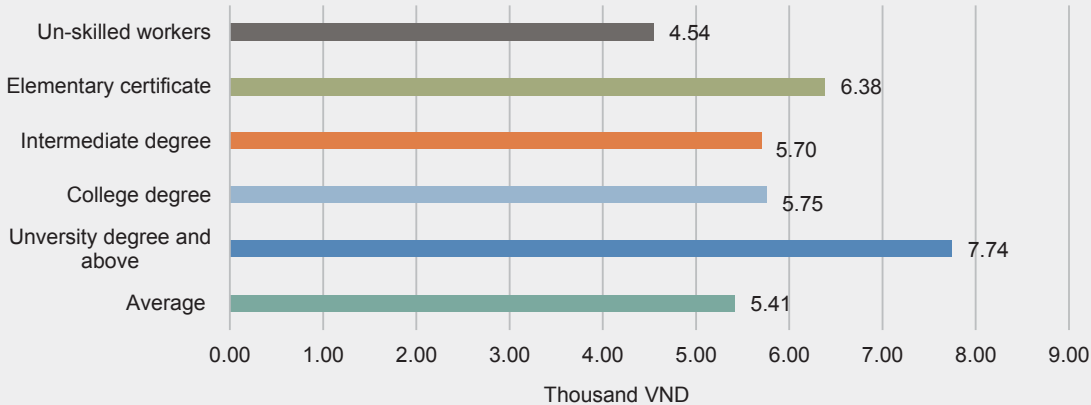
Comparing enterprises with different types of ownership, employees in state-owned enterprises in average earned the highest monthly income (6.22 million VND), followed by those in foreign-invested enterprises (6.2 million VND). Employees in non-state companies received the lowest monthly income (5.0 million VND).

A comparison of different economic sectors shows that employees in the services sector on average earned the highest monthly income (5.97 million VND), followed by those in the

industry and construction sectors (5.3 million VND). Employees in the agriculture, forestry and aquaculture sectors secured the lowest monthly income (3.6 million VND).

Figure 2.19 proves a considerable disparity of average monthly income earned by people with different qualification levels. Indeed, unskilled workers earned only 4.54 million VND per month while those with university degrees and above received 1.7 times higher monthly income (7.74 million VND).

Figure 2.19: Average monthly income of employed salary earners distributed by qualifications



Source: Calculations based on the Labour and Employment Survey, Quarter 4, 2017, GSO

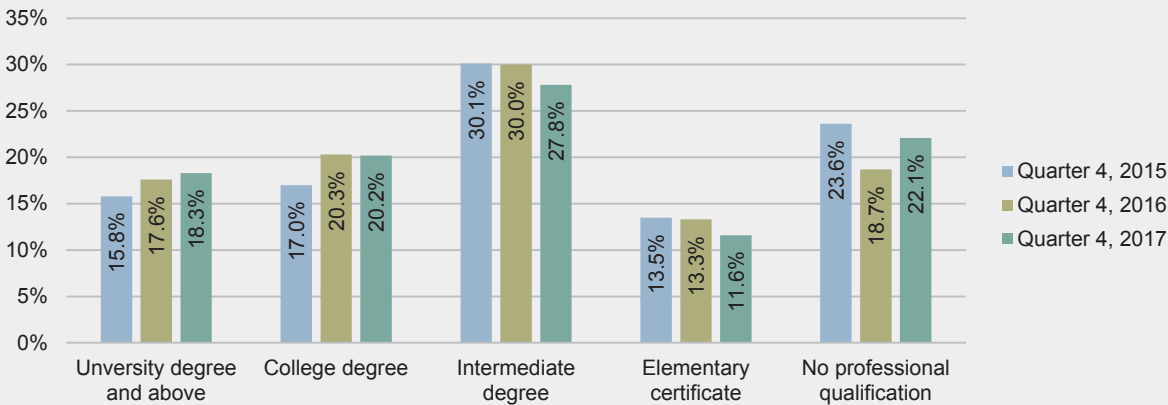
2.4. Job market

By the end of Quarter 4, 2017, 169,400 jobs were announced by enterprises on MoLISA’s e-portal, of which jobs offered for females made up 53%, and jobs announced by non-state enterprises accounted for 80.1%.

There were 48,100 job seekers registered on the e-portal, of which females accounted for 45%.

Figure 2.20 highlights the structure of job-seekers on the e-portal distributed by qualification levels. Accordingly, job-seekers with intermediate degrees accounted for the largest proportion (27.8%), followed respectively by those with college degrees (20.2%) and university degrees or higher (18.3%).

Figure 2.20: Structure of job-seekers on e-portal distributed by qualifications (%)



Source: Calculations based on the Labour and Employment Survey, Quarter 4, 2015; Quarter 4, 2016; Quarter 4, 2017, GSO

Conclusions

In 2017, the labour force remained dominantly concentrated in rural areas (67.8%). Yet the average labour force growth rate in urban areas was 0.86% which was two times higher than that in rural areas (0.37%). Meanwhile, enterprises were mainly located in urban areas, thus resulting in labour migration from rural to urban areas.

During the period 2015-2017, employment rate in urban areas increased by 0.33% per year while this rate decreased by 0.15% per year in rural areas. This substantial difference was essentially caused by the process of

industrialisation and modernisation and labour migration from rural to urban areas.

The unemployment rate in Viet Nam had been relatively low and stayed stable at 2% over the past three years. Comparing with 2016 there was a huge decrease in the number of unemployed people among those with college degrees and a substantial increase of unemployed people with elementary qualifications. The under-employed labourers in urban areas accounted for 14.3% of the total under-employed while this percentage in rural areas was 85.7%. The Mekong River Delta had the highest under-employment rate (3.6%), which was 2.3 times higher than the average rate in the country (1.58%).

CHAPTER 3

NETWORK OF VET INSTITUTES

The year 2017 was the first year that VET institutes in the national education system were operating under the state management of MoLISA. The provisions of the VET Law had come into effect. As of 30 June 2017, most VET institutes had registered their VET activities. This chapter gives an overview of the network of VET institutes, which will be analysed by types, socio-economic regions and ownership. In addition, this chapter also provides a deeper analysis of the autonomy of VET institutes.

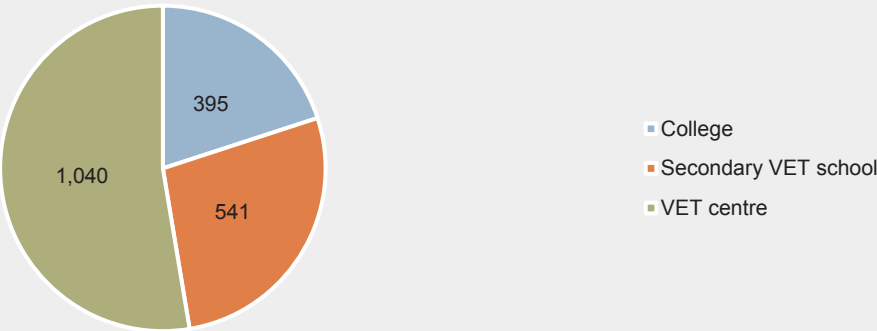
3.1. The network of VET institutes

The VET Law defines that VET institutes include colleges, secondary VET schools and VET-continuing education centres (hereinafter referred to as VET centres). However, in the reporting year, the term “college” refers to both colleges and vocational colleges; “secondary VET school” refers to both secondary professional schools and secondary vocational schools; and “VET centre” refers to vocational training centres, VET centres or VET-continuing education centres.

As of 31 December 2017, the total number of VET institutes was 1,976 of which: colleges accounted for 20% (395 colleges), secondary VET schools accounted for 27% (541 schools) and VET centres accounted for the remaining 52.6% (1,040 VET centres). Among colleges

and secondary VET schools, 219 colleges that had belonged to higher education (55.45% of the total number of colleges), and 303 secondary professional schools (56% of the total number of secondary VET schools) were transferred from the subsystem of state management of MoET to MoLISA. At the district level, the so-called VET centres were formed as a result of the merger of public vocational training centres, continuing education centres, and general technical education-career guidance centres. Instructions for the merger of VET centres, their functions, tasks and organisational structure were provided in the Inter-ministerial Circular No. 39/2015/TTLT-BLDTBXH_BGDDT-BNV jointly issued by MoLISA, MoET and MoHA. Figure 3.1 presents the number of VET institutes by types.

Figure 3.1: Number of VET institutes by types in 2017



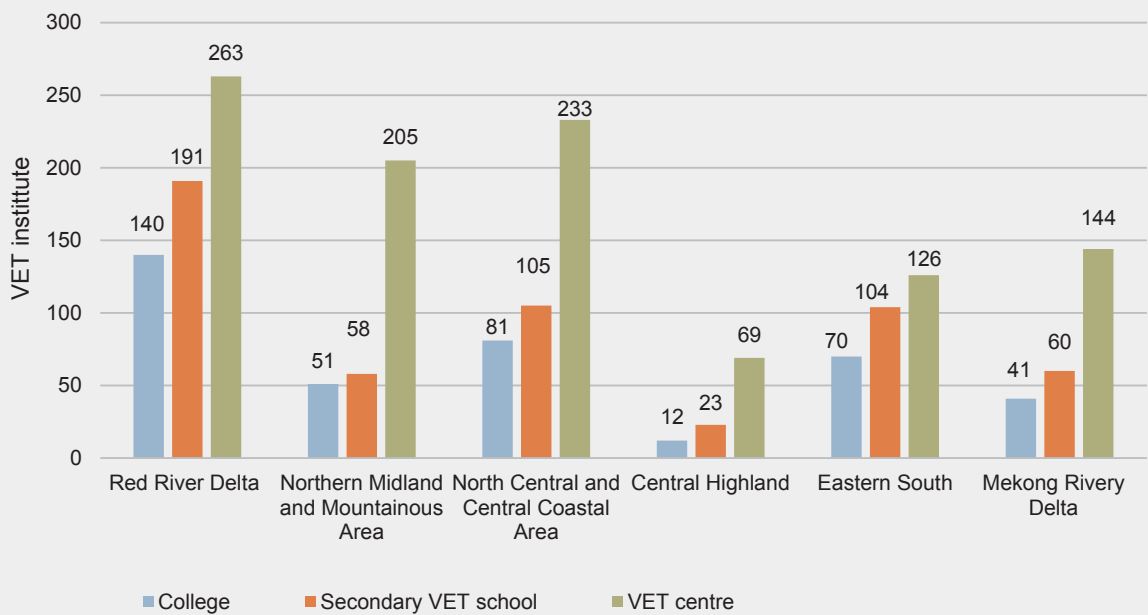
Source: DVET Administration Office

3.2. VET institutes categorised by socio-economic regions

The regional socio-economic development and growth did not create significant impacts to the planning of the VET institutes system in 2015, 2016 and 2017. VET institutes had not made significant improvements in both quantitative and qualitative terms in the context of scientific and technological developments while, at the same time, manufacturers, businesses and service providers were required to introduce technological innovations and improve the qualifications and skills of their workforce. In fact, the number of VET centres (which offered elementary training) was always higher than

that of colleges and secondary VET schools in the same region. Figure 3.2 indicates that the number of VET centres was two times higher than the number of colleges and secondary VET schools in the Northern Midland and Mountainous Area and the Central Highland. In the meantime, other remaining regions showed almost the same numbers of VET centres and colleges/secondary VET schools. This situation may emphasize the crucial need for rearrangements of VET institutes in different socio-economic regions to meet the regional labour market demand for skilled human resources.

Figure 3.2: Number of VET institutes by socio-economic regions in 2017



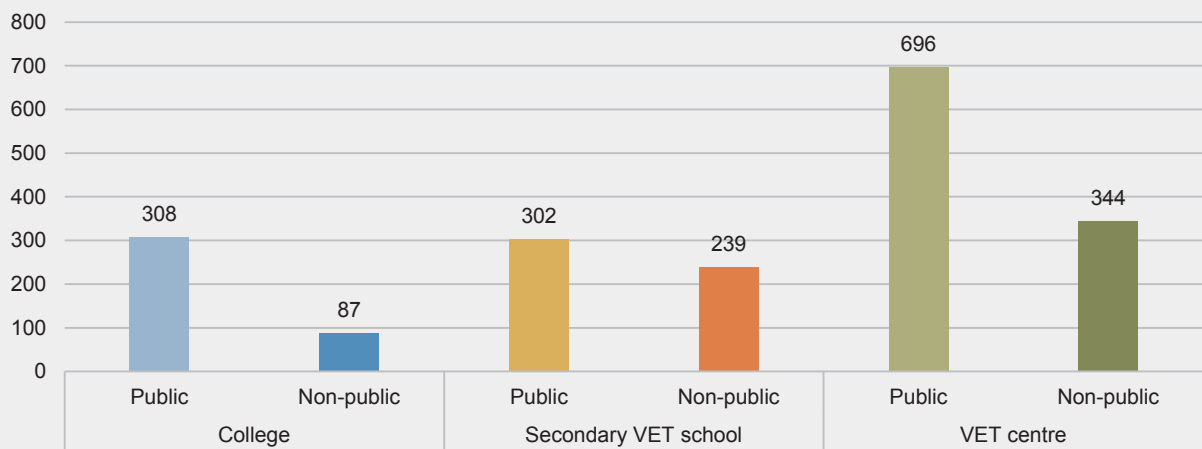
Source: DVET Administration Office

3.3. VET institutes categorised by ownership

The VET Law defines three types of VET institutes according to their ownership: public VET institutes, private VET institutes and foreign-invested VET institutes. In 2017, the total number of VET institutes was 1,976, of which public VET institutes accounted for

66.1% (1,306 VET institutes). Among public VET institutes there were 308 public colleges, 302 public secondary VET schools and 696 public VET centres. Non-public VET institutes, including private and foreign-invested VET institutes accounted for the remaining 33.9% (Figure 3.3).

Figure 3.3: Number of VET institutes by ownership



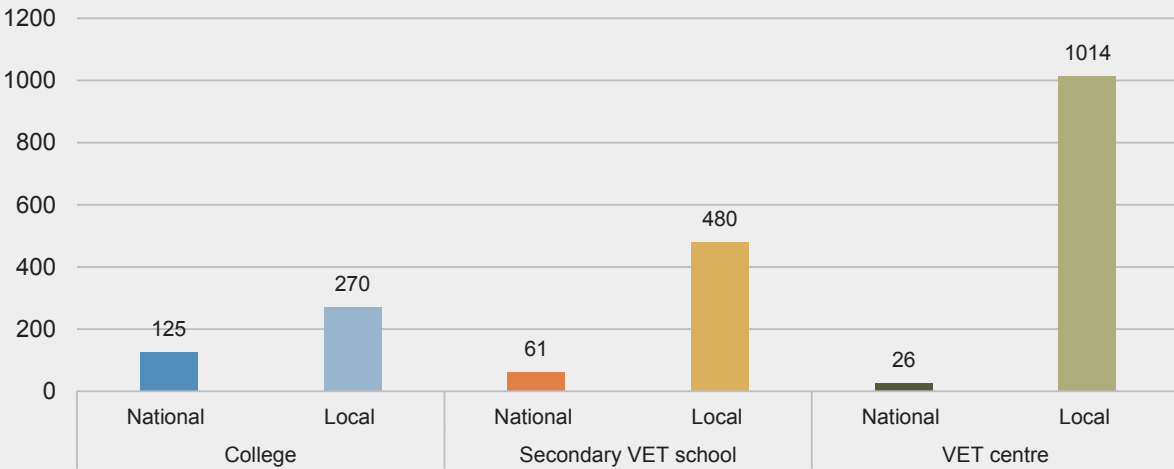
Source: DVET Administration Office

Decree No. 16/2015/ND-CP signed by the Prime Minister on 14 February 2015 provides for autonomous operation of public service providers. According to this Decree, non-public VET institutes, in fact, already operate on an autonomous basis while public VET institutes shall start a roadmap process towards autonomy. These VET institutes include public colleges which accounted for 77.97% of the total number of colleges, secondary VET schools (accounting for 55.82%) and VET centres (accounting for 66.92%).

In connection with the merging and dissolution of colleges and secondary VET schools, capable VET institutes will become autonomous instead

of being merged with other institutes. As the result of the reorganisation and restructuring process VET institutes shall become more open and flexible to respond to the demands of the labour market. It is essential to designate the state management agencies to develop proposals for mergers or dissolutions of VET institutes taking into consideration the rearrangements of the national and local VET institutes, reduction of the number of VET institutes, improvement of priority investments by avoiding overlapping and dispersed investments and improvement of the performance of VET institutes. Figure 3.4 provides more details on centrally- and locally-managed public VET institutes.

Figure 3.4: National and local management of public VET institutes



Source: DVET Administration Office

Conclusions

Planning of the network of VET institutes was an important task required by the VET Law and Resolution No. 19-NQ/TW dated 25/10/2017 endorsed at the 6th Conference of the Central Party Committee of Legislature XII. The Resolution states that *“the planning process should be directed at restructuring the VET institutes system, which will become more open and flexible to respond to the market demand of qualified human resources. It is important to develop a network of VET institutes to ensure the relevant scope of activities and structure, rational choice of training occupations and qualifications, standardisation, modernisation and quality specification. Rational national investments and public mobilised financial resources shall target VET institutes of high quality and VET institutes for special target groups in consideration of the merger of secondary VET schools with colleges and dissolution of inefficient VET institutes. In fact, there should be only one focal public VET agent at the provincial level. At the district level, centres of continuing education, career guidance centres and vocational training centres should be merged into a single VET institute”*.

Considerable changes were envisaged in 2018 and in the coming years, however, given the existing VET institutes network, the restructuring of the system was facing great challenges from different management perspectives. The VET institutes planning was determined to focus on the improvement of operational efficiency and effectiveness and better training quality with less management agencies. Positive measures (for example: a stronger public participation (socialisation) in VET, autonomy of VET institutes, restructuring of training occupations and qualifications and types of VET institutes) shall contribute to a comprehensive VET reform and development of quality human resources and better regional and international competitiveness of Viet Nam.

In spite of the numerous VET institutes operating in all provinces and cities under the central government, the lack of skilled and qualified workers and employers’ difficulties in recruitment still prevailed (especially in such occupations as welding and mechanics). It is important to restructure VET institutes aiming at better quality and efficiency so that VET institutes can satisfy learners’ requirements of VET inputs, and that the trained workforce

(the outputs of VET institutes) can meet the demand of the national and international labour markets.

The planning of the VET institutes system should envisage available resources for the implementation of the designed roadmap, and the VET system planning should match with the national, sectoral and local human resource development plans. It is important to ensure the availability of high-quality VET institutes in key economic areas and localities serving as the hubs of socio-economic regions. At the same time, college(s) should be available at the provincial level while secondary VET schools and VET centres should be available at the district level. A rational distribution of VET institutes should be ensured in socio-economically disadvantaged areas, ethnic minority areas, borders, islands and coastal areas. Support programmes for these disadvantaged regions or target groups should be developed to include, for example,

support for trainees' mobility, construction of dormitories, meals allowance for learners who are unable to complete their education locally. Secondary VET schools offering training courses that are not responsive to the labour market's needs should be merged with colleges or be dissolved. Mergers of VET institutes that provide training in similar occupations in the same province or city are also encouraged.

The experiences gained from the process of VET institutes planning and restructuring and the lessons learned from the piloted autonomy of public VET institutes shall serve as foundation for the development and promulgation of guiding documents and policies which will facilitate the autonomy and accountability of public VET institutes. Autonomy and accountability shall be the "keys" to VET reform and help address the issues of quality human resource training in the current and future VET system.

CHAPTER 4

VET ADMISSIONS AND GRADUATIONS

The year 2017 marked an important milestone in the state management of the VET system further to the Government’s decision to assign MoLISA with the stewardship of the VET system (except for teacher training institutions). This was also the first year that VET admissions and training delivery were accomplished in accordance with the VET Law. This chapter will discuss the situation of VET admissions, graduations and job placement in 2017.

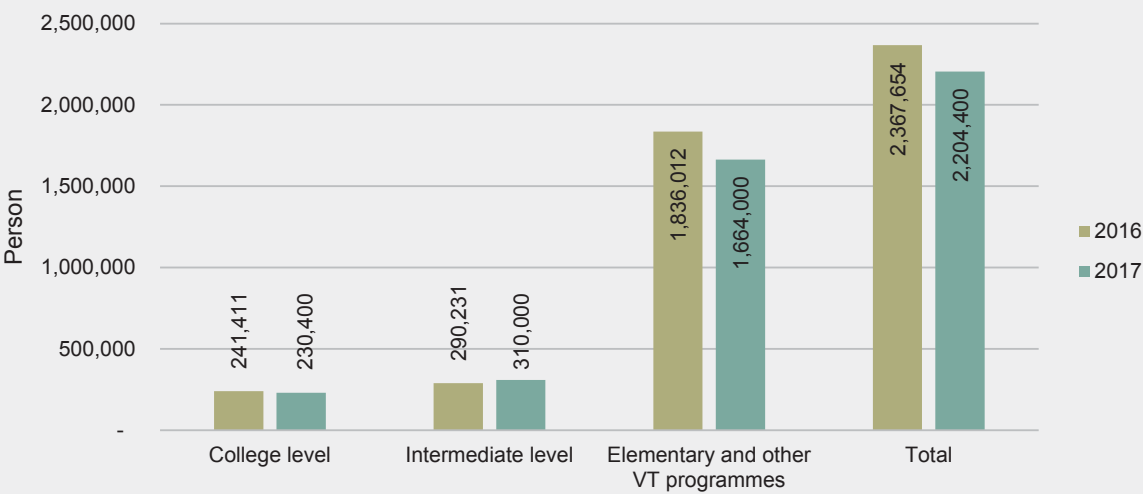
4.1. VET admissions

4.1.1. Results of admissions to VET

According to the DVET’s Assessment Report on VET Enrolment, Graduations and Job Placement in 2017 and orientations for 2018, as of 31 December 2017, the total number of students enrolled in VET in 2017 was 2,204,400 persons. Figure 4.1 compares the enrolment in VET by qualification levels during 2016-2017

after the professional colleges and secondary schools were integrated into the VET system. In particular, enrolment in the college training level accounted for 10.5% (230,400 persons) of the total number of enrolments in VET; enrolment in the intermediate level accounted for 14.0% (310,000 persons); and enrolment in the elementary and other VT programmes accounted for 75.5% (1,664,000 persons).

Figure 4.1: Admissions to VET by qualification levels



Source: Department of Formal Vocational Training, DVET

Comparing with 2016, enrolments in college training level in 2017 decreased by 11,011 persons while enrolments in intermediate

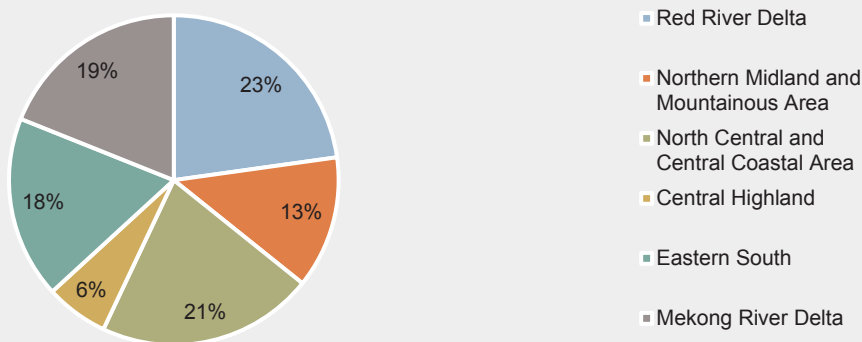
training level increased by 19,769 persons, and enrolments in elementary and other VT programmes decreased by 172,012 persons.

4.1.2. Admissions to VET by socio-economic regions

The GSO Annual Statistics of 2017 show the following population distributions by socio-economic regions: The population in the Red River Delta was 21,342,100 persons; in the Northern Midland and Mountainous Area:

12,148,900 persons; the North Central and Central Coastal Area: 19,924,500 persons; the Central Highland: 5,778,500 persons; the Eastern South: 16,739,600 persons, and the Mekong River Delta: 17,738,000 persons. The structure of the population distribution by socio-economic regions is visualised in Figure 4.2.

Figure 4.2: Population distribution by socio-economic regions (%)



Source: GSO, Annual Statistics, 2017

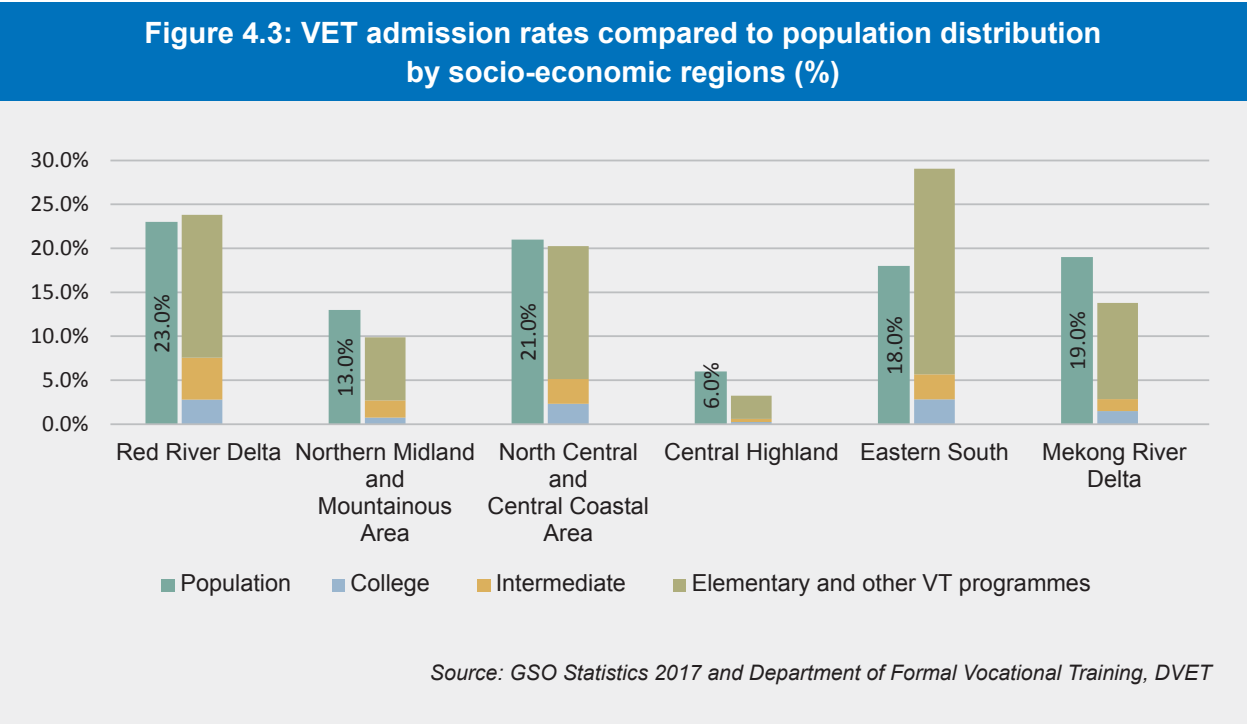
The following situation of admissions in VET was reported by socio-economic regions.

- The Red River Delta admitted 524,715 persons, making up 23.8% of total admissions (of which: 11.8% (61,712 persons) were admitted to the college level; 20.1% (105,243 persons) to the intermediate level; and 68.1% (357,760 persons) to elementary and other VT programmes);
- The Northern Midland and Mountainous Area received 217,601 persons, representing 10.0% of total admissions (of which: 7.5% (16,303 persons) were admitted to college level; 19.9% (43,218 persons) to intermediate level; and 72.6% (158,080 persons) to elementary and other VT programmes);
- The North Central and Central Coastal Area admitted 446,254 persons, representing 20.2% of total admissions (of which: 11.5% (51,440 persons) were admitted to college level; 13.9% (62,014 persons) to intermediate level; and 74.6% (332,800 persons) to elementary and other VT programmes);
- The Central Highland enrolled 71,296 persons, accounting for 3.2% of total admissions (of which: 7.7% (5,511 persons) were enrolled at college level; 10.6% (7,545 persons) at intermediate level; and 81.7% (58,240 persons) in elementary and other VT programmes);
- The Eastern South enrolled 640,608 persons, comprising 29.1% of total admissions (of which: 9.7% (62,286 persons) were enrolled at college level; 9.6% (62,482 persons) at intermediate level; and 80.7% (515,840 persons) in elementary and other VT programmes);
- The Mekong River Delta admitted 303,926 persons, accounting for 13.9% of total admissions (of which: 10.9% (33,149

persons) were admitted to college level; 9.7% (29,497 persons) to intermediate level; and 79.4% (241,280 persons) to elementary and other VT programmes).

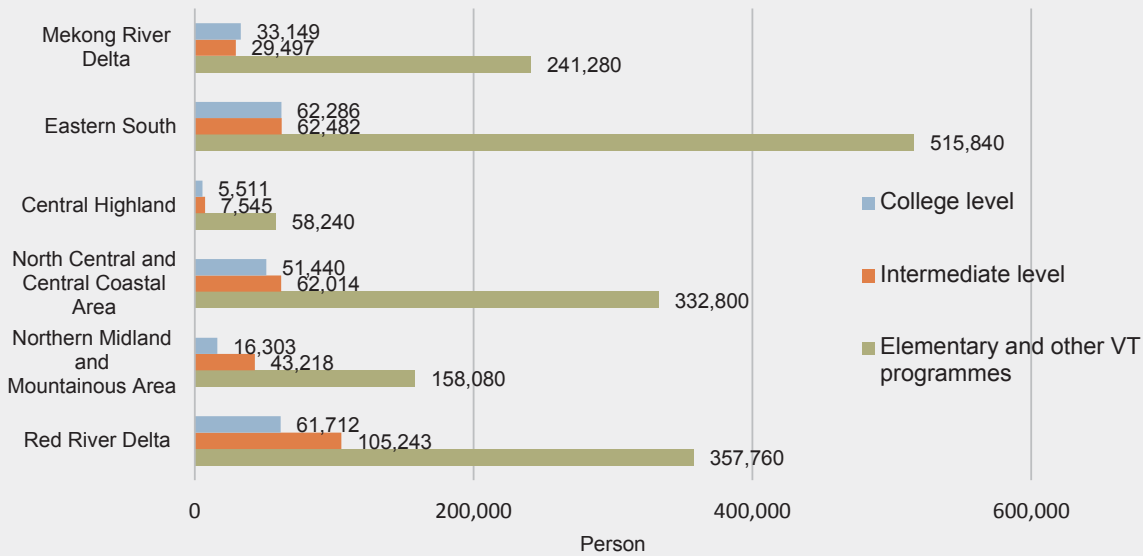
Figure 4.3 compares VET admission rates to the population distribution by socio-economic regions. It is interesting to notice that in 2017, 6% of the population was living in the Central Highland but the admissions to VET in this area accounted for only 3.2%. Furthermore, 18% of the population was living in the Eastern

South but admissions to VET in this area accounted for 29.1%. This fact raises new research questions, e.g. whether this large number of VET admissions in the Eastern South resulted from migrant movements or indicates that many young people are living in this region. This has to be monitored deeper in the future to guarantee that access to VET is distributed fairly and that target groups are not disadvantaged.



The situation of admissions to VET at different levels in different socio-economic regions are further visualised in Figure 4.4.

Figure 4.4: Admissions to VET by socio-economic regions



Source: Department of Formal Vocational Training, DVET

4.1.3. Admissions to three VET institutes piloting the autonomy approach

At the three colleges piloting autonomy according to the Prime Minister’s Decisions No. 538/QD-TTg, 539/QD-TTg and 540/QD-TTg i.e. the Ho Chi Minh City Vocational College of Technology (currently College of Technology II), the Quy Nhon Vocational College (currently Quy Nhon Collge of Engineering and Technology), and the Vocational College LILAMA-2 (currently LILAMA-2 International College of Technology) admissions were recorded as follows:

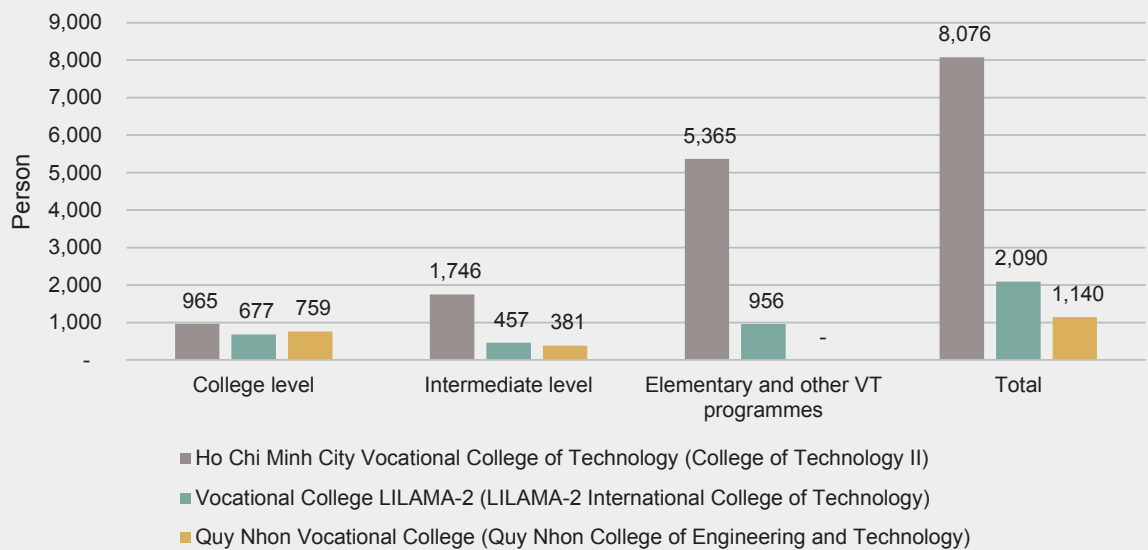
Total admissions attained 11,306 persons, of which 21.2% (2,401 persons) were enrolled at college level, 22.9% (2,584 persons) were enrolled at intermediate level, and 55.9% (6,321 persons) were enrolled in elementary and other VT programmes (Figure 4.5). In particular:

- At the College of Technology II, the number of admissions reached 8,076

persons, of which: admissions to college level accounted for 11.8% (965 persons); admissions to intermediate level accounted for 21.8% (1,746 persons); and admissions to elementary and other VT programmes accounted for 66.4% (5,365 persons);

- At the LILAMA-2 International College of Technology, the number of admissions amounted to 2,090 persons, of which: admissions to college level accounted for 31.4% (677 persons); admissions to intermediate level accounted for 21.9% (457 persons); and admissions to elementary and other VT programmes accounted for 45.7% (956 persons);
- At the Quy Nhon College of Engineering and Technology, the admissions consisted of 1,140 persons, of which: admissions to college level accounted for 66.6% (759 persons), and admissions to intermediate level accounted for 33.4% (381 persons).

Figure 4.5: Admissions to three autonomy piloting colleges in 2017



Source: Department of Formal Vocational Training, DVET

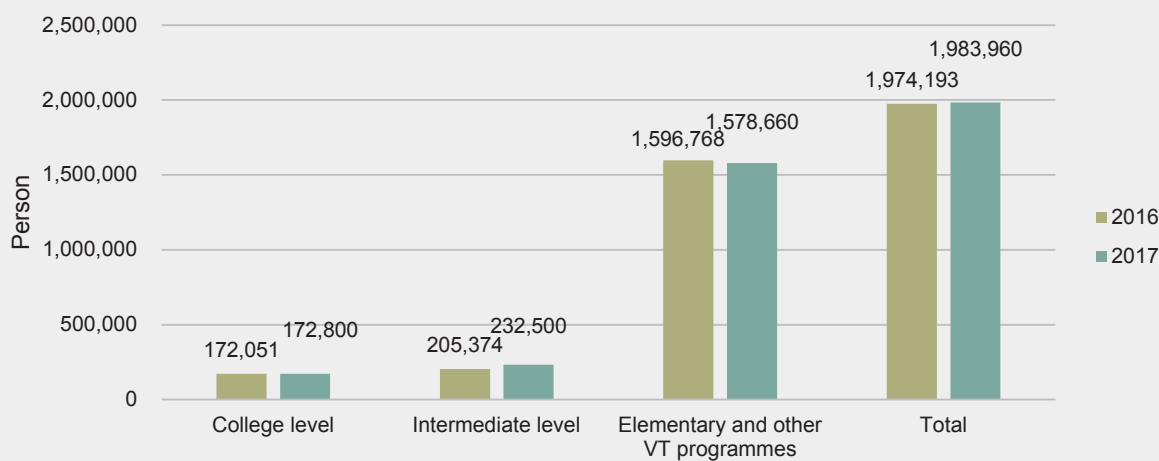
4.2. VET graduations

4.2.1. Graduations by qualification levels

The number of graduates from all VET qualification levels, including college, intermediate, elementary training and other VT programmes in 2017 consisted of 1,983,960 persons. Figure 4.6 shows the number of graduates by qualification

levels. In particular, of the total number of VET graduates, college graduates accounted for 8.7% (172,800 persons); graduates from intermediate training accounted for 11.7% (232,500 persons); and graduates from elementary and other VT programmes accounted for 79.6% (1,578,660 persons).

Figure 4.6: Number of VET graduates by qualification levels during 2016-2017



Source: Department of Formal Vocational Training, DVET

Comparing with 2016, the number of college graduates in 2017 increased by 749 persons, intermediate training graduates increased by 27,126 persons while the number of graduates from elementary and other VT programmes decreased by 18,108 persons.

4.2.2. Graduations by socio-economic regions

Figure 4.7 displays the number of graduates by socio-economic regions in 2017, specifically:

The number of graduates from the Red River Delta accounted for 27.3% of the total number of graduates (540,990 persons), of which: college graduates accounted for 8.6% (46,284 persons), intermediate training graduates accounted for 14.6% (78,932 persons), and graduates from elementary and other VT programmes accounted for 76.8% (415,774 persons);

Graduates from the Northern Midland and Mountainous Area accounted for 10.9% (215,742 persons), of which college graduates accounted for 5.7% (12,227 persons), intermediate training graduates accounted for 15% (32,414 persons), and graduates from elementary and other VT programmes accounted for 71.6% (171,101 persons);

Graduates from the North Central and Central Coastal Area accounted for 15.1% (298,718

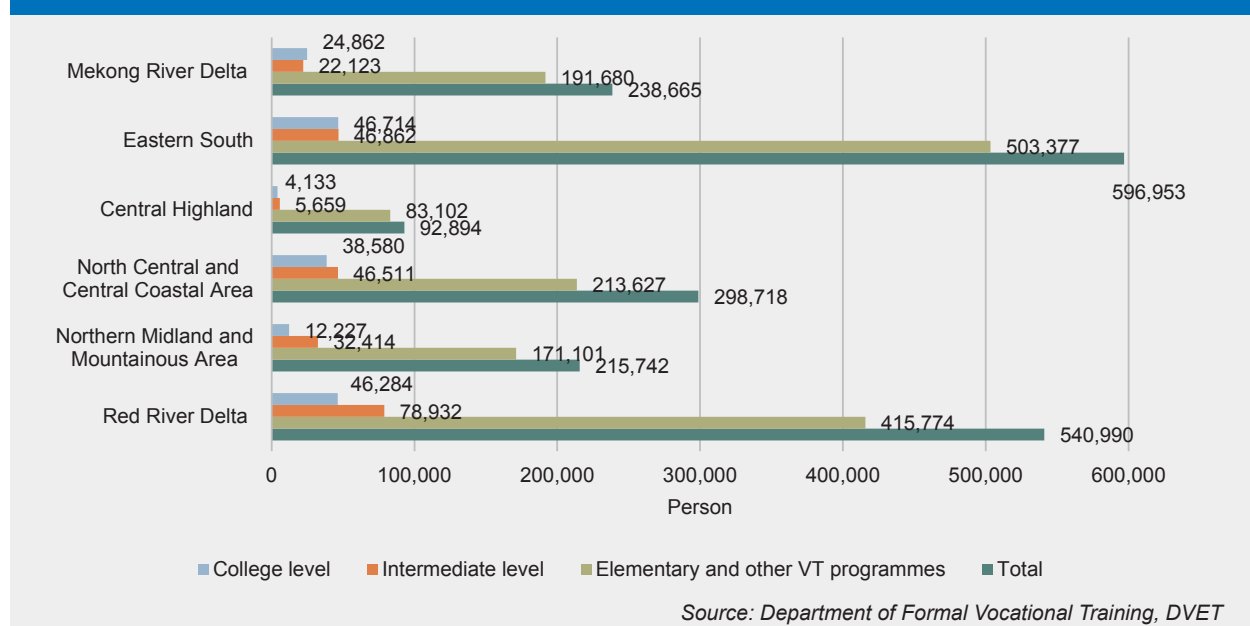
persons), of which: college graduates accounted for 12.8% (38,580 persons), intermediate training graduates accounted for 15.6% (46,511 persons), graduates from elementary and other VT programmes accounted for 71.6% (213,627 persons);

Graduates from the Central Highland accounted for 4.7% (92,894 persons), of which: college graduates accounted for 4.5% (4,133 persons), intermediate training graduates accounted for 6.09% (5,659 persons), and graduates from elementary and other VT programmes accounted for 84.3% (83,102 persons);

Graduates from the Eastern South accounted for 30% (596,953 persons), of which: college graduates accounted for 7.8% (46,714 persons), intermediate training graduates accounted for 7.9% (46,862 persons), and graduates from elementary and other VT programmes accounted for 80.3% (503,377 persons);

Graduates from the Mekong River Delta accounted for 12% (238,665 persons), of which: college graduates accounted for 10.5% (24,862 persons), intermediate training graduates accounted for 9.3% (22,123 persons), and graduates from elementary and other VT programmes accounted for 80.3% (191,680 persons).

Figure 4.7: Number of graduates by socio-economic regions



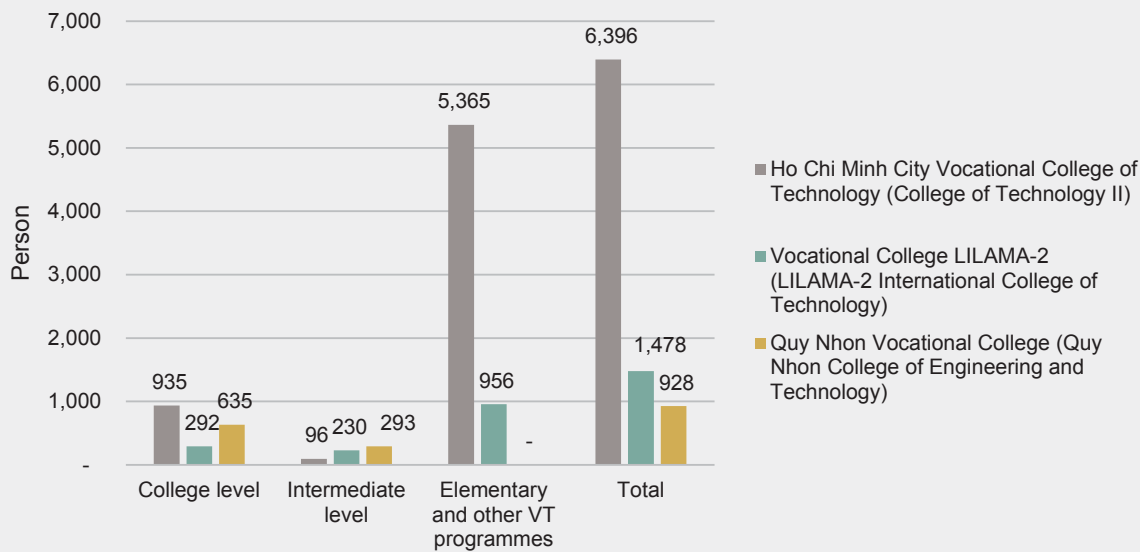
4.2.3. Graduations at three colleges piloting the autonomy approach

The total number of graduates in 2017 in the three colleges that piloted the autonomy approach was 8,802 persons, of which college graduates consisted of 21.1% (1,862 persons); intermediate training graduates consisted of 7% (619 persons); and graduates from elementary and other VT programmes consisted of 72% (6,321 persons) (Figure 4.8). Specifically:

The Quy Nhon College of Engineering and Technology had 928 graduates, of which college graduates accounted for 68.4% (635 persons) and intermediate training graduates accounted

for 31.6% (293 persons). The College of Technology II had 6,396 graduates, of which college graduates accounted for 14.6% (935 persons), intermediate graduates accounted for 1.5% (96 persons), and graduates from elementary and other VT programmes accounted for 83.9% (5,365 persons). The Lilama-2 International College of Technology had 1,478 graduates, of which college graduates accounted for 19.8% (292 persons), intermediate training graduates accounted for 15.6% (230 persons), and graduates from elementary and other VT programmes accounted for 64.6% (956 persons).

Figure 4.8: Number of graduates at three piloting colleges in 2017



Source: Department of Formal Vocational Training, DVET

4.2.4. Job placement

Upon graduation, the job placement rate of college graduates was 79% and that of intermediate training graduates was 82%.

Regarding salaries and income of VET graduates, as reported by the provincial DoLISAs, the average starting monthly salary was 5.2 million VND (229 USD) for college graduates, and 4.6 million VND (203 USD) for graduates with intermediate qualifications.

Conclusions

The figures of VET admissions indicate a mismatched admission structure of the dominant 75.5% of students enrolled in elementary and other VT programmes.

The comparison of different socio-economic regions shows that the number of admissions to VET did not correspond to the number of VET institutes situated in the same region.

The Eastern South had the highest number of admissions to elementary training and other VT programmes (which are normally provided by VET centres), while the number of VET centres in this region was almost the lowest compared to other regions (see Chapter 3). Enrolment and admissions information and data is important to be taken into consideration in the process of planning and rearrangement of the VET institutes network.

VET institutes had defined enrolment as a key and crucial task in their operation and development. Therefore, they had implemented measures aiming at: increasing enrolment of

school leavers to VET, improvement of training quality in order to create a good image; stronger cooperation with lower-secondary and upper-secondary schools in job counselling, streaming school leavers to VET, and closer linkage with enterprises for the purpose of job placement of VET graduates.

The 2017 admissions reached the target which was reported in DVET's Assessment Report on VET Enrolment, Graduations and Job Placement in 2017 and orientations for 2018. The job placement rate upon graduation among the college and intermediate training graduates was approximately 80%.

CHAPTER 5

VET TEACHERS AND MANAGEMENT STAFF

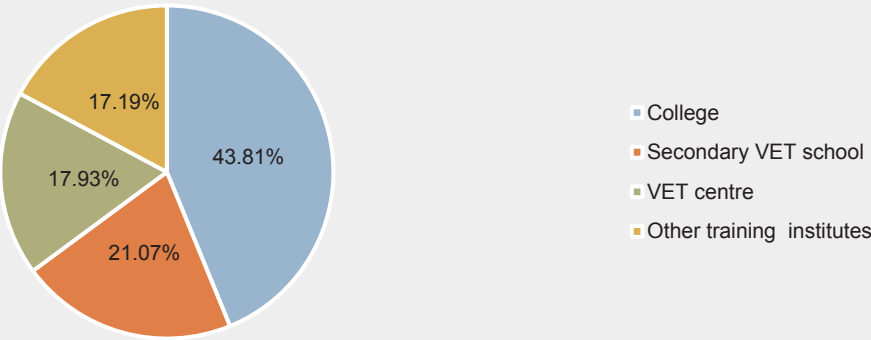
In 2017 MoLISA started implementing its function of state management of the VET system (excluding the MoET-managed teacher training institutions). In this context, the chapter presents the status quo of the teaching and management staff at VET institutes. It analyses the professional qualifications, occupational skills, foreign language competence and computer skills of VET teachers and management staff in 2017 and shows the trend of VET teachers' quantitative development during 2015-2017. It is important to notice that the data presented in the 2015 and 2016 VET reports refers only to the teaching staff of vocational training institutes under MoLISA at that time, while the data of the 2017 report refers to the teaching staff of the whole VET institutes system.

5.1. Teachers in VET institutes

As of 31 December 2017, the statistics provided by DVET indicated a total number of 86,350 VET teachers, of which college teachers accounted for 43.81% (37,826 persons); secondary VET school teachers accounted for 21.07% (18,198 persons); VET centre teachers represented 18% (15,481 persons),

and teachers coming from other institutes with VET activities accounted for 17.93% (14,845 persons) (Figure 5.1). Female teachers made up 34.39% (29,694 persons) of the total number of VET teachers; permanent teachers accounted for 63.05% (54,444 persons). Teachers working in public VET institutes accounted for 67.61% (58,380 teachers).

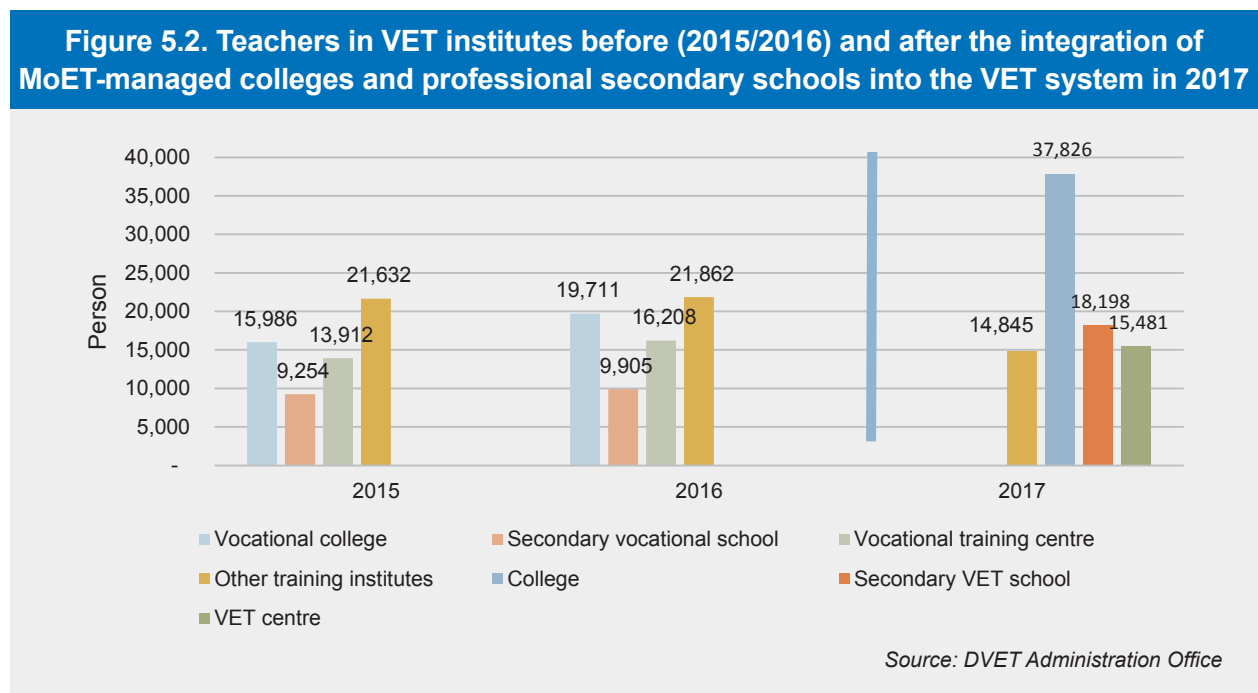
Figure 5.1: Teachers in VET institutes (%)



Source: DVET Administration Office

Figure 5.2 demonstrates the varying numbers of teachers in different types of VET institutes during 2015-2017. During 2015-2016 there was no substantial change in the number of teachers at secondary vocational schools and other institutes with VT activities. The number of teachers at vocational colleges and vocational training centres increased by 23.3% and 16.5% respectively between 2015 and 2016.

In 2017 the number of college teachers reached 37,826 persons which accounted for 43.8% of the total number of VET teachers. The increase in the number of college teachers mainly derived from the transfer of colleges from the MoET-managed higher education system to the MoLISA-managed VET system.

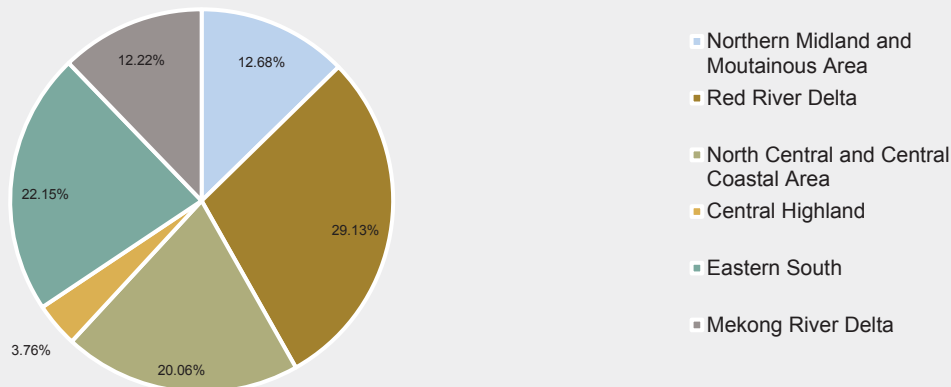


5.1.1. Distribution of VET teachers by socio-economic regions

Figure 5.3 shows the allocation of VET teachers by socio-economic regions. It was observed that VET teachers were most concentrated in the Red River Delta (29.13%), followed by

the Eastern South (22.15%) and the North Central and Central Coastal Area (20.06%). These regions had the highest number of VET institutes. The Central Highland Region had the smallest number of VET institutes and also the smallest percentage of VET teachers (3.76%).

Figure 5.3: Distribution of VET teachers by socio-economic regions (%)



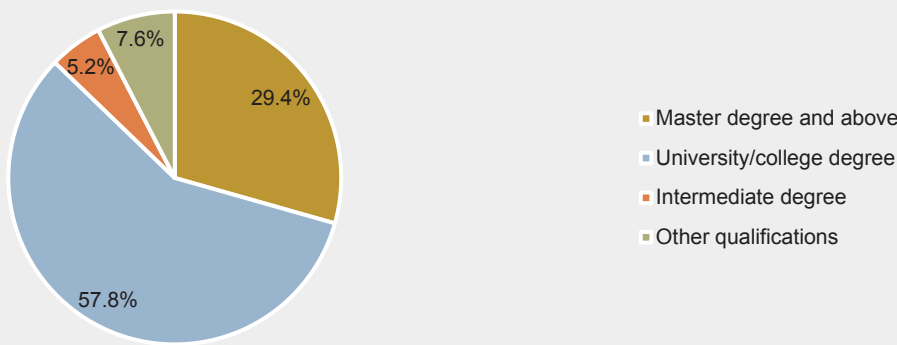
Source: DVET Administration Office

5.1.2. VET teachers’ qualifications

Figure 5.4 visualises the number of teachers by qualification levels. The number of teachers with university or college degrees accounted for the highest percentage of 57.8% (49,905

persons). Teachers with a master’s degree or higher accounted for 29.4% (25,369 persons). Teachers with intermediate degrees made up the lowest percentage of 5.2% (4,516 persons).

Figure 5.4: VET teachers by qualifications (%)



Source: DVET Administration Office

5.1.3. VET teacher’s competence

The statistics provided by DVET show that, as of 31 December 2017, only 53 out of 63 DoLISAs provided sufficient data on teachers’ occupational skills, pedagogical skills, computer

skills and foreign language competence. Therefore, this chapter only analyses the above mentioned skills and competence of 69,481³⁸ teachers (i.e. 80.46% of the national total) as reported by 53 DoLISAs.

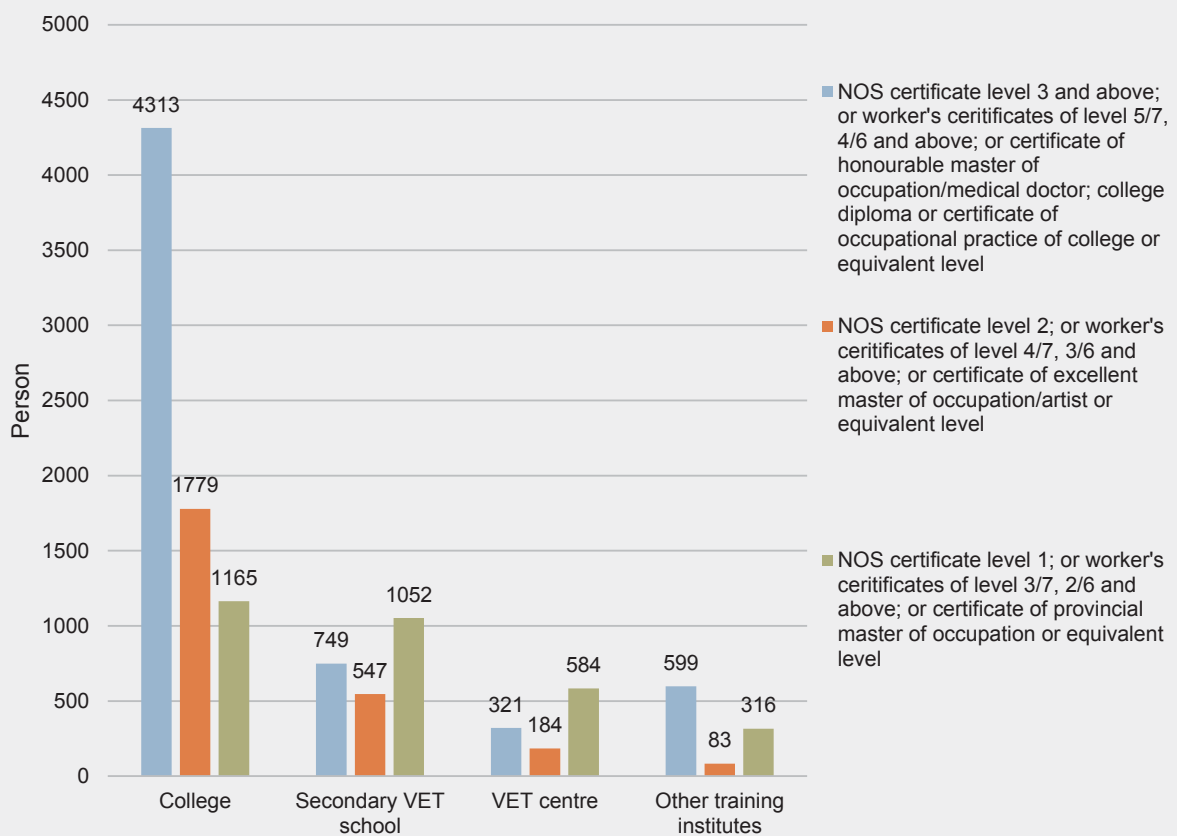
³⁸ These 69,481 teachers include: 32,343 (out of total 37,826) college teachers; 13,845 (out of total 18,198) secondary VET school teachers, 10,363 (out of total 15,481) teachers from VET centres; and 12,930 (out of total 14,845) teachers from other training institutes with VET activities.

5.1.3.1. Occupational skills

Out of 69,481 teachers only 16.83% (11,692 persons) had an occupational skills certificate. Among those who held an occupational skills certificate, 62.07% (7,257 persons) came from colleges, 20.08% (2,348 persons) came from secondary VET schools, 9.31% (1,089 persons) came from VET centres, and 8.54% (998 persons) came from other institutes with VET activities. In fact, the number of teachers who were trained to take NOS exams was rather

small, leading to a low percentage of teachers with occupational skills certificates. Figure 5.5 shows the number of teachers who possessed occupational skills certificates granted by different skills assessment systems, including NOS assessment certificates, college diploma/certificate of college practice training, worker skills certificates issued in different industries, certificates of honourable/excellent master of occupations issued by relevant national and provincial institutions.

Figure 5.5: Number of VET teachers with occupational skills certificates

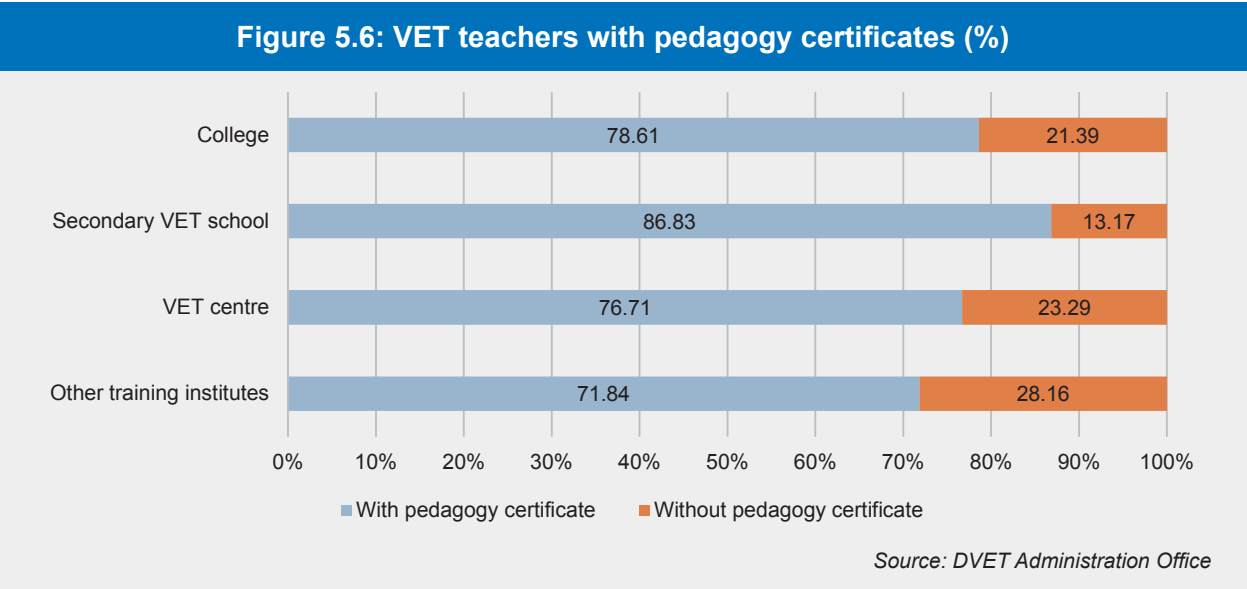


Source: DVET Administration Office

5.1.3.2. Pedagogical skills

In 2017, the number of VET teachers with a pedagogy certificate was 54,684 persons accounting for 78.7% of total VET teachers of 69,481 persons. Teachers without a pedagogy certificate accounted for 21.3% (14,797 persons).

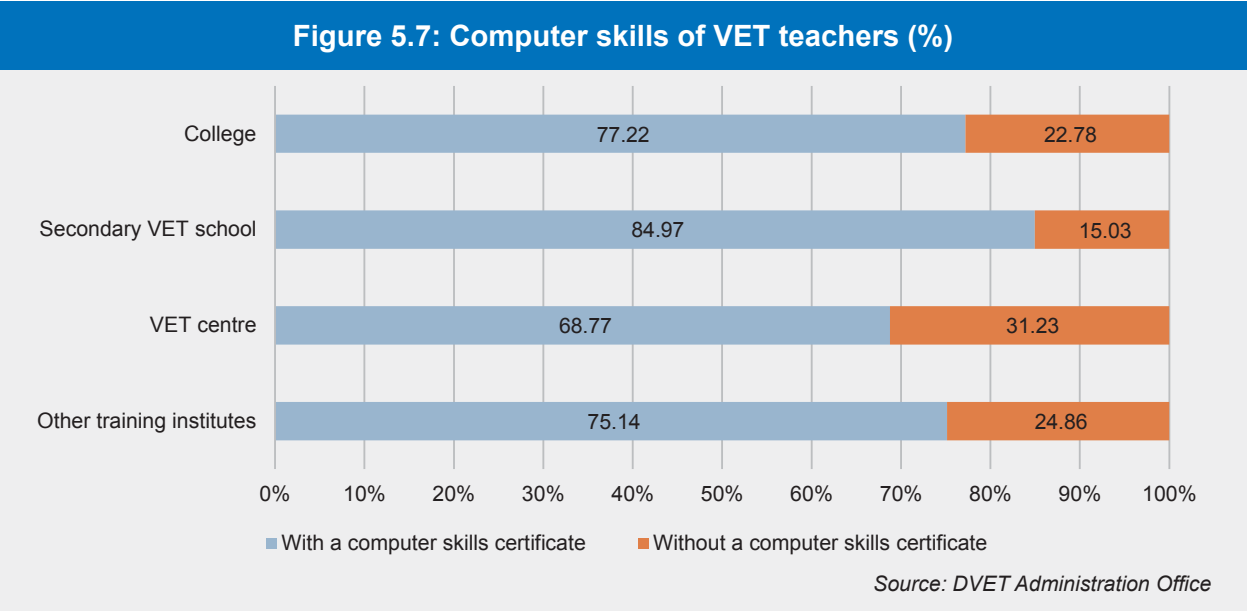
Figure 5.6 shows the percentage of teachers with a pedagogy certificate at different types of VET institutes. In particular, 78.61% of college teachers had a pedagogy certificate; the percentages of teachers with a pedagogy certificate in secondary VET schools, VET centres, and other training institutes with VET activities were 86.83%, 76.71% and 71.84% respectively.



5.1.3.3. Computer skills

According to Circular No. 08/2017/TT-BLDTBXH dated 10 March 2017 on professional standards for VET teachers, VET teachers should possess basic computer skills as regulated in Circular No. 03/2014/TT-BTTTT issued on 11 March 2014 by the Ministry of Information and Communication. In 2017, among 69,481 VET teachers, the number of teachers with a computer skills certificate accounted for 77.11% (53,580 persons), and those without a computer skills certificate accounted for 22.89% (15,901 persons). The computer skills of VET teachers at different types of VET

institutes are shown in Figure 5.7. Specifically, secondary VET schools had the highest percentage of teachers with a computer skills certificate (84.97%); colleges had 77.22%; other institutes with VET activities had 75.14%; and VET centres had the lowest percentage of 68.77%. The number of teachers without a computer skills certificate remained relatively high (colleges had 22.78%, secondary VET schools: 15.03%, VET centres: 31.23%, and other institutes with VET activities: 24.86%). Weak computer skills will restrict the access of VET teachers to modern training technology.



5.1.3.4. Foreign language competence

In the context of intensive regional and international integration in the VET field, the introduction of the six-level Foreign Language Competence Framework applicable for VET teachers would help in facilitating the international cooperation and qualifications recognition by using the Common European Framework of Reference (CEFR). In 2017, the number of VET teachers with a six-level or equivalent foreign language certificate

accounted for 73.24% (50,886 persons), of which most teachers (66.97%) had a foreign language certificate of levels A, B or C which were equal to levels 1, 2 or 3 in the six-level foreign language assessment framework.

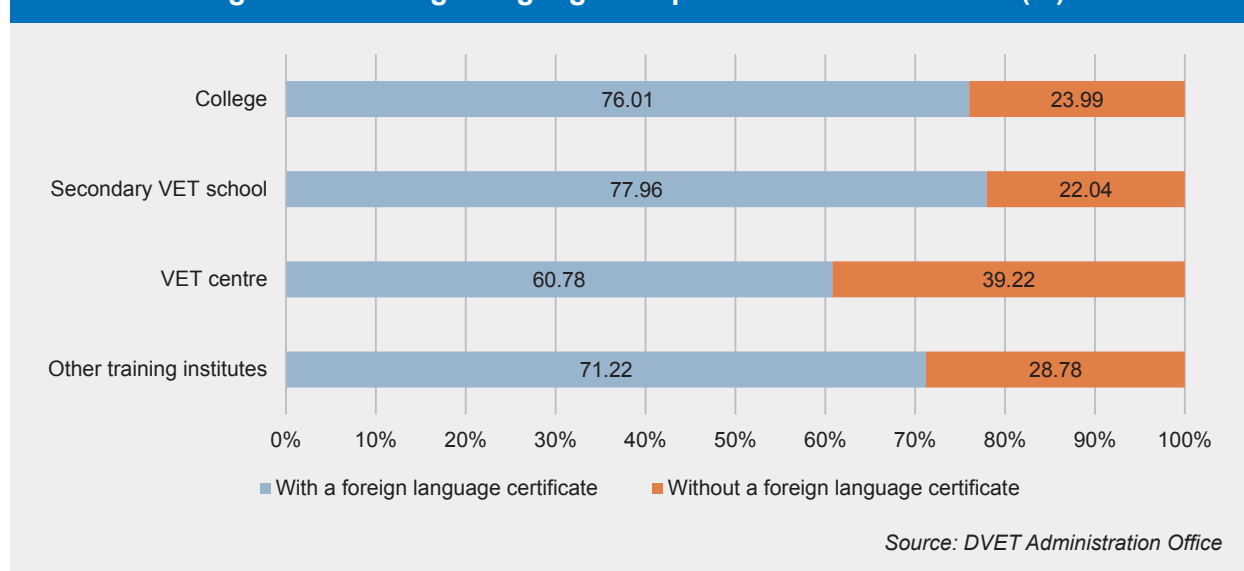
The equivalent assessment of English practice is explained in Letter No. 6089/BGDDT-GDTX, Decision No. 66/2008/QD-BGDDT, Decision No. 177/QD-TCBT and Circular No. 01/2014/TT-BGDDT) issued by MoET, and presented in Table 5.1.

Table 5.1: Equivalent assessment of English competence

Grades regulated in Decision No. 177/QD-TCBT	Grades regulated in Decision No. 66/2008/QD-BGDDT	Grades regulated in Circular No. 01/2014/TT-BGDDT
A	A1	1
B	A2	2
C	B1	3
	B2	4
	C1	5
	C2	6

Colleges had 76.01% teachers with a foreign language certificate, intermediate schools had 77.96%, VET centres had 60.78%, and other training institutes had 71.22% (Figure 5.8).

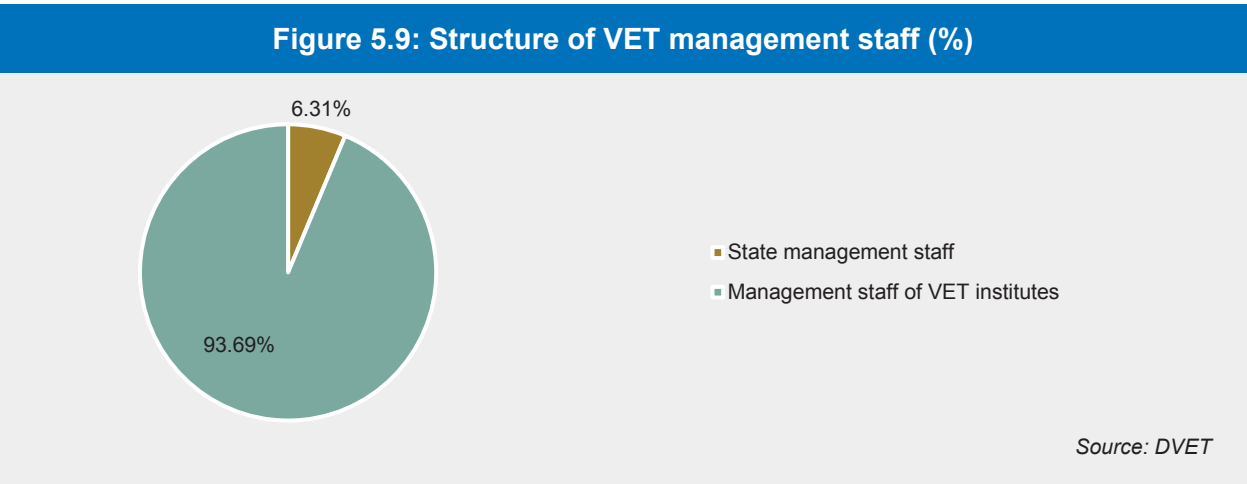
Figure 5.8: Foreign language competence of VET teachers (%)



5.2. VET management staff

According to reports from ministries and provinces, as of 31 December 2017, there was a total of 20,481 VET management staff, of which the state management staff

represented 6.31% (1,292 persons), and the management staff from VET institutes accounted for 93.69% (19,189 persons) as demonstrated in Figure 5.9.

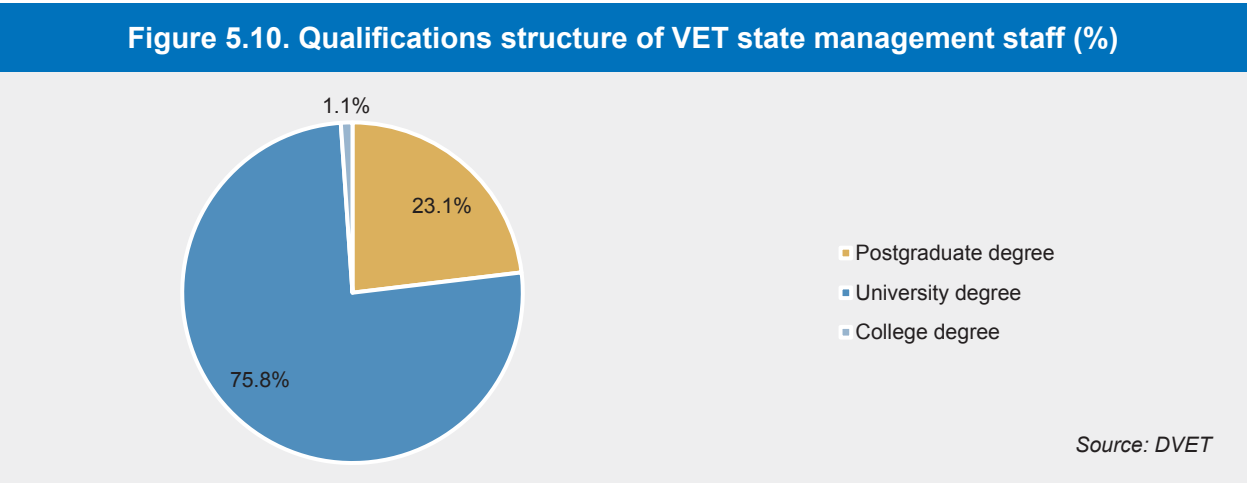


5.2.1. VET state management staff

In this report VET state management staff include staff in charge of VET in ministries (for example: Ministry of Industry and Trade, Ministry of Agriculture and Rural Development), manufacturing and business corporations and associations (such as Viet Nam Association of Farmers, Viet Nam Women’s Union), VET management staff in DoLISAs and districts. VET state management staff do not include the staff working in DVET.

As of December 2017, there were 1,292

VET state management staff, of which permanent staff accounted for 78% (1,008 persons), and contracted staff accounted for 22% (284 persons). Full-time management staff accounted for 25% of total VET state management staff. As can be seen in Figure 5.10, the VET state management staff had rather high professional qualifications, with the largest 75.8% of university-degree holders (979 persons), followed by the 23.1% of postgraduate degree holders (298 persons) and the smallest group of 1.1% of college-degree holders (14 persons).



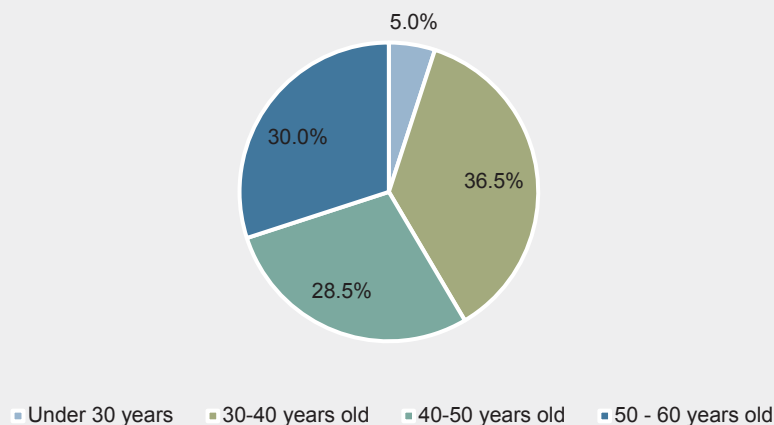
5.2.2. Management staff of VET institutes

The management staff of VET institutes involves those working in various training-related divisions of VET institutes, such as training, scientific research, student affairs, admissions or business cooperation departments, and teachers being responsible for the management of their specialised areas, such as leaders of subject-matter groups or faculty managers.

In 2017, out of a total of 19,189 VET institutes management staff, those who were involved in teaching tasks accounted for 57.2% (10,976

persons); males accounted for 70% and females accounted for 30%. About 21% of total VET institute management staff had attended training on VET institute management. Most VET institute management staff were between the ages of 30 and 60. The management staff aged 30-40 accounted for 36.5% (7,004 persons); age group of 40-50 accounted for 28.5% (5,469 persons) while the management staff aged from 50 to under 60 made up 30% (5,757 persons). The number of under-30-year-old management staff accounted for 5% (959 persons) (Figure 5.11).

Figure 5.11. Age structure of VET management staff (%)



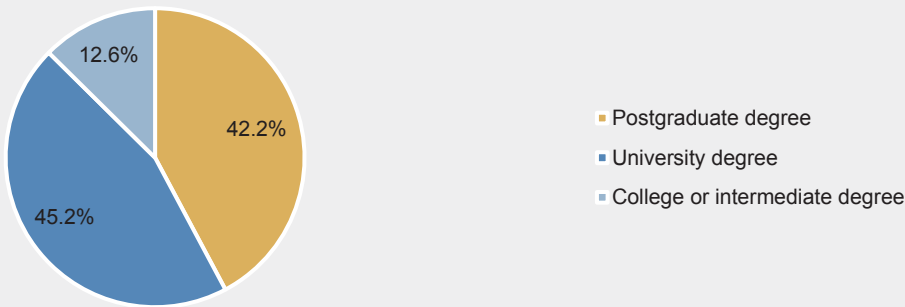
Source: DVET

5.2.2.1. Management staff's qualifications

Most of VET institute management staff had university or higher qualifications. Of the total number of VET management staff, the number of management staff who possessed university qualifications or higher accounted for 87.4% (16,771 persons) while the management staff

who had college or intermediate qualifications accounted for 12.6% (2,418 persons). Although having relatively high qualifications as indicated in Figure 5.12, VET institute managers' actual performance is also dependent on factors such as their management skills, foreign language proficiency and computer literacy.

Figure 5.12. Qualification levels of management staff at VET institutes (%)



Source: DVET

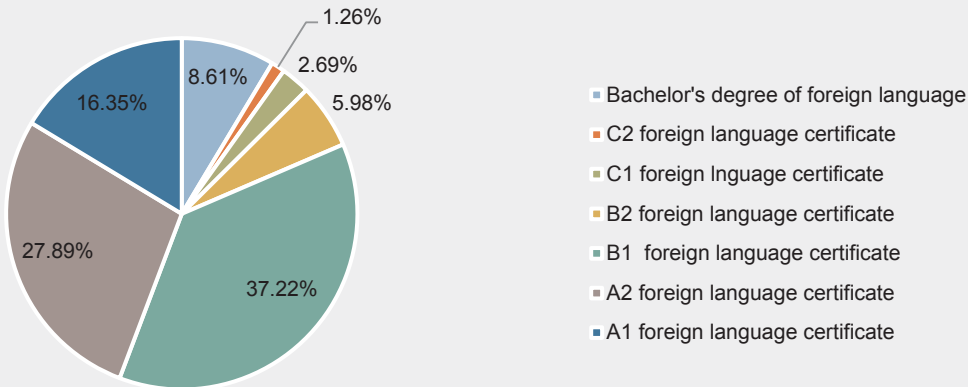
5.2.2.2. Foreign language competence

According to the statistics recorded by DVET as of 31/12/2017, only 44 out of 63³⁹ provincial DoLISAs provided data on the foreign language competence and computer skills of the management staff of VET institutes. Therefore, this sub-chapter only reports about the situation of foreign language competence and computer skills of 17,141 management staff which represented 89.32% of total management staff of VET institutes nationwide.

In 2017, 72.24% (12,383 persons), out of a total of 17,141 management staff at VET institutes, possessed a foreign language certificate as

promulgated in Circular No. 01/2014/TT-BGDDT dated 24/01/2014 on the 6-level Foreign Language Competence Framework. The largest percentage of VET institute managers had B1 certificates (37.22%), followed by managers with A2 certificates (27.89%), A1 certificates (16.35%), B2 certificates and higher (18.54%). Figure 5.13 visualises the levels of foreign language competence of the management staff at VET institutes. Limited foreign language competence could create a big obstacle to the management work of VET institutes, especially in the context of broadened international cooperation.

Figure 5.13. Foreign language competence of management staff at VET institutes



Source: DVET

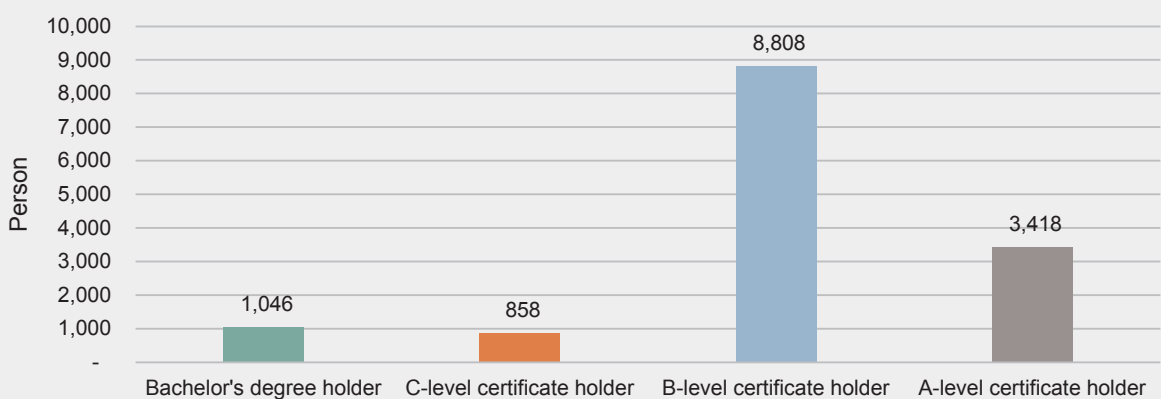
³⁹ The data insufficiency was caused by the delay in data collection and provision from provincial DoLISAs to DVET

5.2.2.3. Computer skills

The application of computer skills in school management had become common, however the number of management staff with a computer skills certificate at VET institutes accounted for only 73.64% (14,130 persons) out of total 17,141 management staff, of which the majority of 62.34% (8,808 persons) had a

B-level computer skills certificate; the A-level certificate holders accounted for 24.19% (3,418 persons); IT bachelor's degree holders accounted for 7.4% (1,046 persons), and C-level certificate holders accounted for the lowest percentage of 6.07% (858 persons) as described in figure 5.14.

Figure 5.14. Computer skills of management staff at VET institutes



Source: DVET

5.3. Human resource issues in autonomous VET institutes

Following Decree No. 43/2006/ND-CP and the subsequent Decree No. 16/2015/ND-CP, public VET institutes became more active in the condition of extended autonomy and accountability for their organisational structure and human resources.

For the three VET institutes which are piloting comprehensive autonomy, visible policy changes can be observed in the organisational structure, staffing and teachers' performance after the first year of autonomy. Specifically, the following points have been noted:

- VET institutes are allowed to take independent decisions on personnel issues and to recruit relevant candidates for their management positions, such as vice rectors, heads of departments and faculty deans. However, the procedure for

the appointment of manager positions is restricted by various regulations related to different ministries and local governments. Personnel development plans developed by VET institutes should be approved by competent authorities.

- VET institutes are allowed to establish internal departments, divisions and centres to facilitate their effective organisational management and development.
- VET institutes are independent in developing their teacher capacity building and training plans based on their actual needs and available resources.

As the result of better performance, the salary rate of management staff and teachers has increased compared with the common rate pre-defined by the Government. Allowances for management positions have also increased.

Along with positive changes, certain limitations were still observed in the implementation of autonomy of VET institutes. Further guiding documents need to be developed and adjusted to support the autonomous public VET institutes in the implementation of Decree No. 16/2015/ND-CP.

Conclusions

In 2017, college teachers accounted for a substantial percentage of 43.8% of the total number of VET teachers, mainly due to the transfer of colleges from the MoET-managed higher education system to the VET system under MoLISA. According to the reports submitted by 53 provinces the number of teachers with occupational certificates accounted for only 16.83% of a total of 69,481

teachers. Limited occupational skills were the most remarkable weakness of VET teaching staff. In this context, the assessment and recognition of VET teachers' occupational skills should become a stronger practice in the VET system nationwide.

Of the total 20,481 VET management staff, state VET staff accounted for 6.31% (1,292 persons), and the management staff of VET institutes accounted for 93.69% (19,189 persons). Most of the VET management staff of VET institutes had multiple job positions. Managers of the functional faculties were normally appointed among competent and successful teachers, and most of them had a major shortage of VET institute management skills. Therefore, training of VET management skills for VET institute managers has become essential.

CHAPTER 6

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

NOSS are of importance for curriculum development. They serve as the basis to define relevant practice-oriented learning outcomes based on which VET institutes can develop demand-driven training programmes and improve labour market-oriented training quality. NOS assessment and certification is aimed at recognising workers' occupational skills and thereby helping them improve their knowledge and skills to meet job requirements. NOS assessment and certification also facilitates the standardisation of the practice and theory teaching at VET institutes. This chapter provides an overview of the NOSS development and promulgation and NOS assessment and certification in 2017.

6.1. NOSS

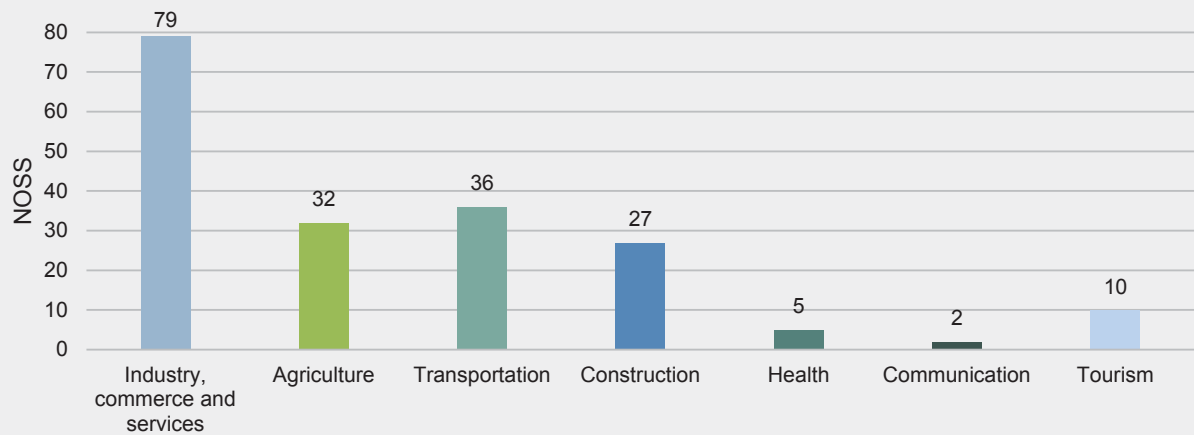
Since 2015, the NOSS development and NOS assessment are regulated in the Law on Employment. In the past, NOSS development and NOS assessment were regulated in the Law on Vocational Training of 2006. According to the new regulation, NOSS is structured on the basis of units of competency and job positions, which can be used as a reference for the benchmarking and mutual recognition of skills between Viet Nam and other countries in ASEAN and in the world.

In 2017, the NOSS revision and development, as prescribed in Circular No. 56/2015/TT-BLDTBXH, was not extensively carried out due to the shortage of financial resources. Only two NOSS were established and promulgated in accordance with Decision No. 1383/QD-LDTBXH and Decision No. 1385/QD-LDTBXH, namely the NOSS for Front Desk and NOSS for Housekeeping. These NOSS were established by the Ministry of Culture, Sports and Tourism. They are well-matched with the ASEAN NOSS for Tourism, and responsive to the requirements

defined in the ASEAN Mutual Recognition Agreement on Tourism Professionals (shortly called MRA-TP), of which Viet Nam is a signatory. During the development of these two NOSS, the Viet Nam Tourism Occupational Skills Standards (VTOS) created by the EU-funded Environmentally and Socially Responsible Tourism Capacity Development Programme and adopted by the Viet Nam National Administration of Tourism in January 2014 were used as a reference.

By the end of 2017, 193 NOSS were developed, of which 191 NOSS were promulgated. The two developed NOSS which were not promulgated include NOSS for Machinery Forgery Repair in the industry sector and NOSS for Cleaning and Sanitary Work for High-storied (over-ten-storied) Buildings in the construction sector (Figure 6.1). Among the 193 developed NOSS, 189 NOSS were developed in accordance with the Law on Vocational Training. These NOSS are expected to be updated and adjusted as required by Circular No. 56/20115 TT-BLDTBXH.

Figure 6.1. Number of NOSS promulgated as of 2017 by sectors



Source: Department of Occupational Skills, DVET

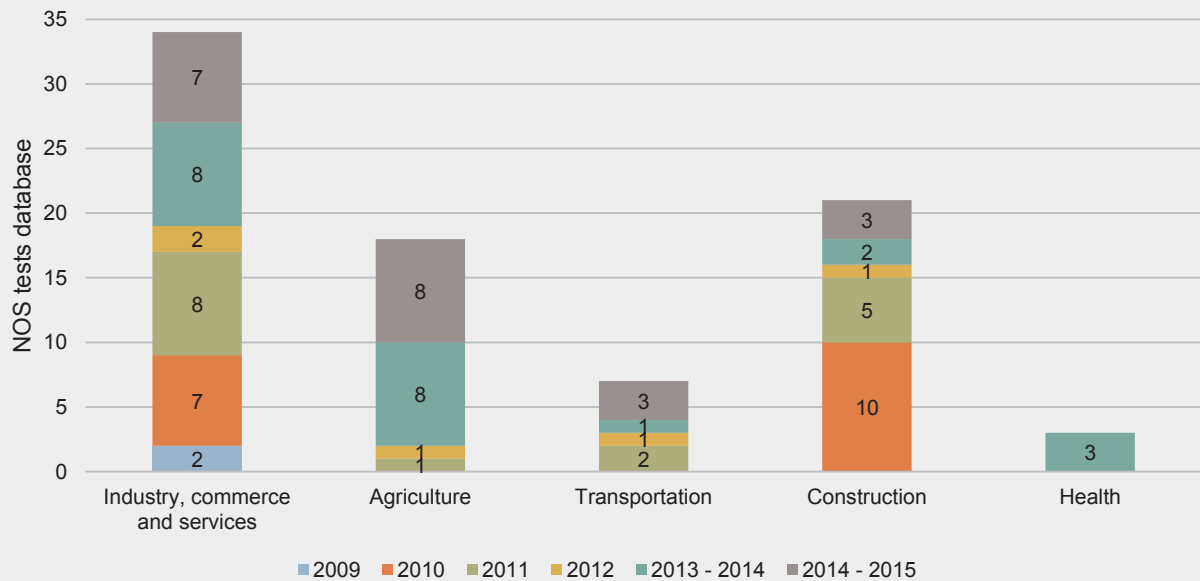
6.2. NOS assessment and certification

6.2.1. Development of NOS assessment tests

NOS test items were compiled on the basis of the NOSS which had been promulgated and applied since 2009. During the years of

2016 and 2017, NOS tests compilation was temporarily postponed due to the in-progress review and revision of guidelines and financial resources shortages. Figure 6.2 shows the number of NOS tests database developed across various sectors.

Figure 6.2. NOS tests database developed by sectors



Source: Department of Occupational Skills, DVET

6.2.2. NOS assessment

A NOS assessment agency shall be granted with a license for NOS assessment and certification (hereinafter referred to as certificate) if it can satisfy the requirements of physical infrastructure and human and financial resources⁴⁰. Further to the new regulation adopted in 2015, NOS assessment provision licenses granted by MoLISA are not time-bound. However, NOS assessment providers 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).

As of end 2017, there were totally 39 licenced NOS assessment providers, of which there were 7 new providers and 32 old providers whose licences were renewed as required by Decree No. 31/2015/ND-CP. Most of NOS assessment providers were permitted to assess skills of levels 1, 2 and 3. Only two assessment providers had the licence to assess skills of level 4, i.e. Nam Dinh University of Technical Education and Hanoi University of Industry. The provider that was permitted for NOS assessment of skills levels 1 and 2 was Hung Vuong Secondary Vocational School of Technology. All existing NOS assessment providers were located within universities, colleges or secondary VET schools. No

companies had applied for NOS assessment certificates yet (see Appendix 2).

6.2.3. Training, further training and certification of NOS assessors

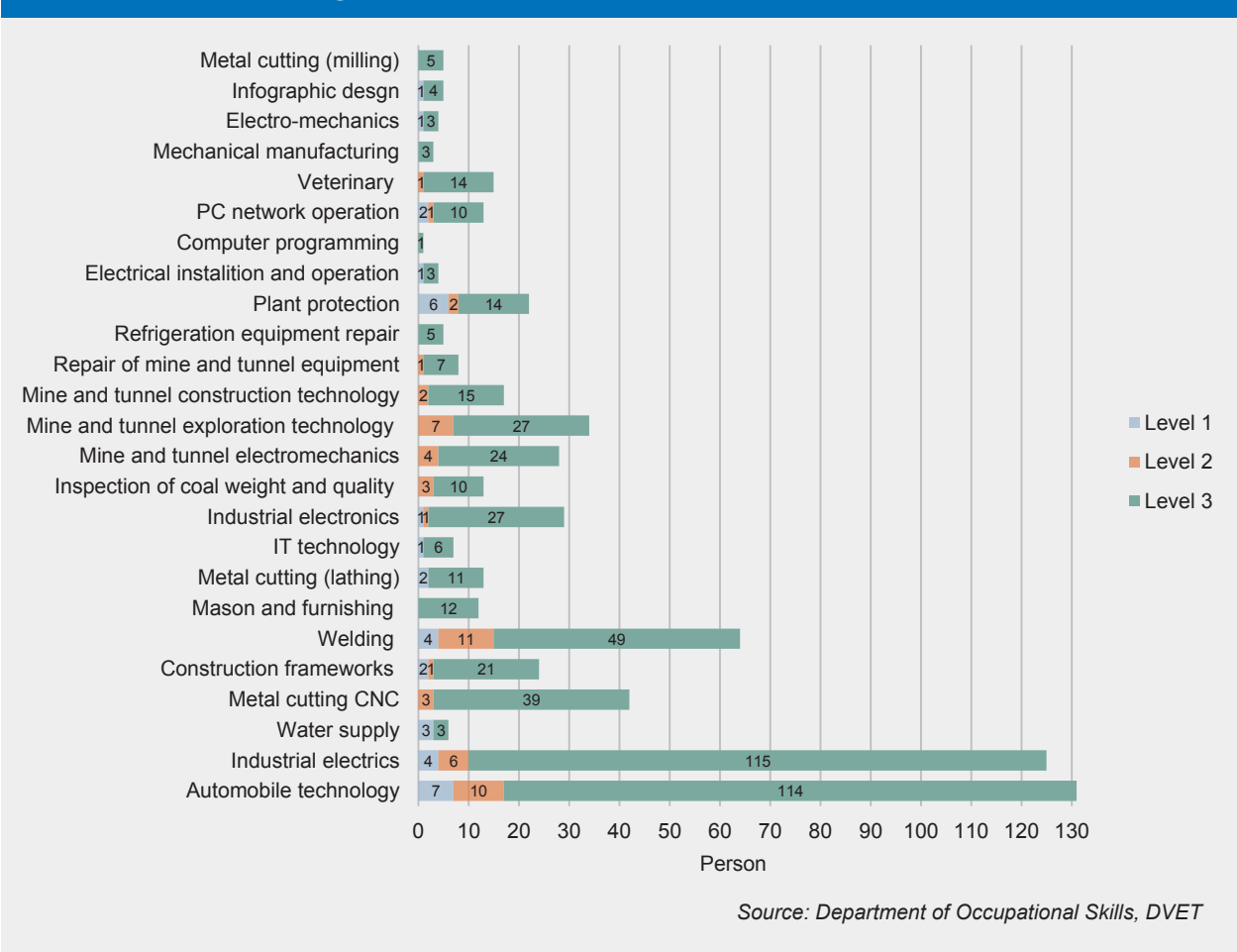
A NOS assessor is a person who assesses the occupational skills of the workers who take a NOS exam. A NOS assessor is granted a NOS assessor's card which is issued, re-issued, cancelled or withdrawn by MoLISA as the authorised agency. A NOS assessor should meet the defined requirements to be granted with a NOS assessor's card⁴¹.

In 2007, 630 NOS assessors were trained and granted with a NOS assessor's card in 25 occupations. In total, there were 750 certified NOS assessors as of 2017 as presented in Figure 6.3. Currently, these assessors can only perform skills assessment up to level 3. The assessment levels correspond to the five levels in the National Occupational Skills Framework with level 5 being the highest level. According to Decision No. 846/QĐ-TTg dated 09/6/2017 promulgating the list of online public services of levels 3 and 4 applicable for ministries and local agencies in 2017, the issuance and re-issuance of NOS assessor's cards are defined as level-3 online public service. However, this online service had not come into effect in practice.

⁴⁰ The conditions, authority, sequence and procedures for NOS assessment and certification are stipulated in the Government Decree No. 31/2015/ND-CP dated 24/10/2015 providing for the implementation of the Law on Employment in relation to NOS assessment and certification

⁴¹ Specific provisions are given in Article 11, Item 2, Decree No. 31/2015/ND-CP and Circular No. 19/2016/TT-BLĐTBXH issued by MoLISA on 28/6/2016 (refer to VET Report 2016 page 70).

Figure 6.3. Number of NOS assessors in 2017



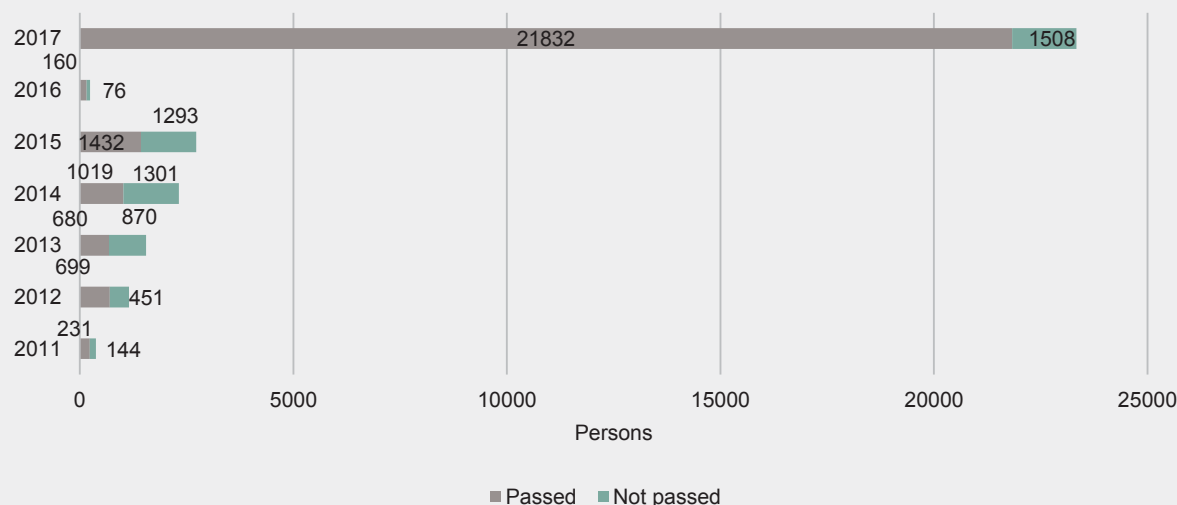
6.2.4. NOS assessment and certification

NOS certificates serve as the basis for the employers to ensure relevant competence-based recruitment, job assignment and remuneration. Workers with NOS certificate shall be given employment-related advantages and opportunities for participation in the ASEAN labour market based on mutual recognition agreements between member states. Depending on their competence, workers can register for a NOS exam for levels 1 to 5⁴².

As of 2017, the system of NOS assessment had been applied for 6 years. Yet there was a relatively limited number of persons assessed, and a similar situation could be observed with the number of occupations involved (for example: only 41 occupations were permitted for NOS assessment) (see Appendix 3). Figure 6.4 provides a description of NOS assessment results during 2011-2017.

⁴² Refer to Circular No. 56/2015/TT-BLDTBXH issued by MoLISA on 24/12/ 2015 for a detailed description of each NOS level and Decree No. 31/2015/ND-CP dated 24/3/2015 for requirements on registration for NOS assessment and certification

Figure 6.4. Results of NOS assessment during 2011 - 2017

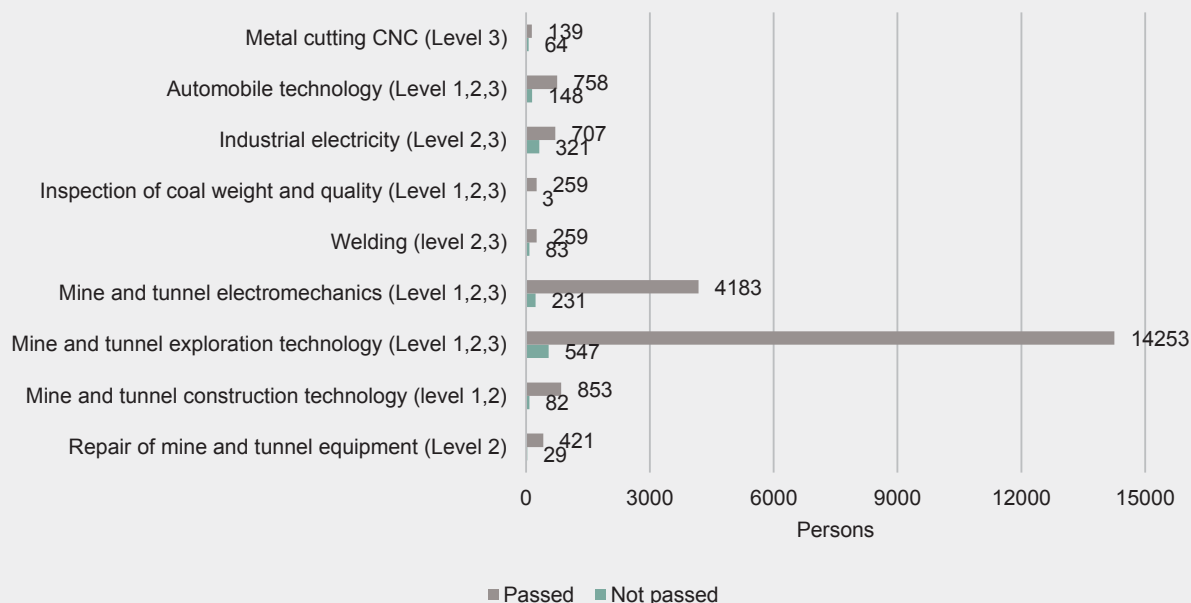


Source: Department of Occupational Skills, DVET

In 2017, NOS assessments were conducted for a total of 23,240 workers in 9 occupations with 93.53% (21,832 persons) passed. Decree No. 31/2015/ND-CP dated 24/3/2015 stipulates a list of occupations (including mine and tunnel electro-mechanics and exploration technology) that directly affect the safety and health of workers or the community and require NOS

certificates⁴³. NOS assessment and certification is mandatory for workers in these occupations. This could partly explain why the number of workers assessed in the occupations related to coal mining had increased significantly as illustrated in Figure 6.5. The results of NOS assessment of these occupations in 2016 are presented in the VET Report 2016.

Figure 6.5. Results of NOS assessment by occupations



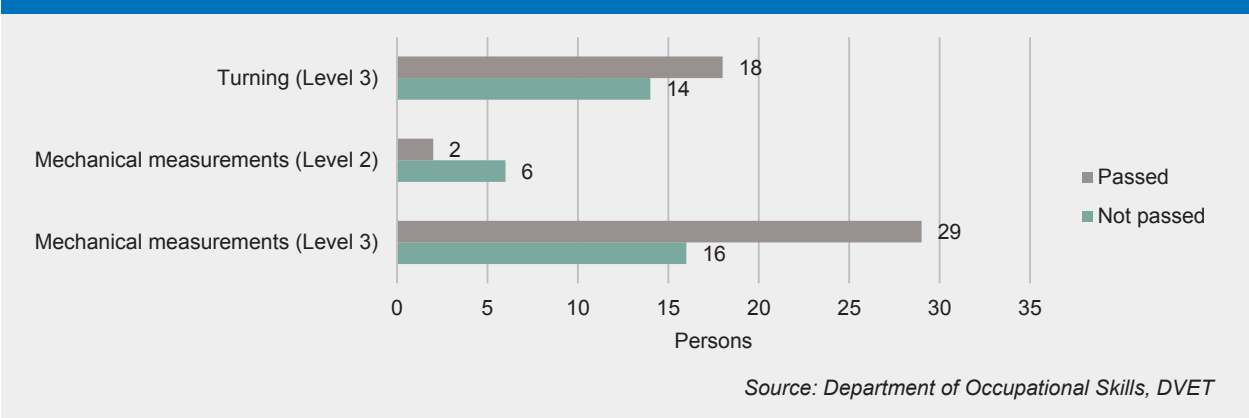
Source: Department of Occupational Skills, DVET

⁴³ Refer to Article 28, Chapter III of Decree No.31/2015/ND-CP for further details

In the framework of a cooperation project between DVET and JICA (Japan International Cooperation Agency) and the Japanese Ministry of Health, Labour and Welfare in 2017, 85 persons were assessed against the

Japanese standards⁴⁴ for two occupations of turning and mechanical measurements of levels 2 and 3, of which the passing rate was 57.64% (49 persons) (Figure 6.6).

Figure 6.6. Results of the NOS assessment supported by Japan (JAVADA) in 2017



Conclusions

NOS assessment and certification plays an important role in motivating employees’ lifelong learning. NOSS can be used by employers as a reference for recruitment, job allocations and competence-based salary payment for workers. Results of NOS assessment can also help the employers in the training, further training and upskilling for the employees whose skills assessment shows a need of skills improvement and hence, improve the quality of their human resources.

At the same time, in the context of regional and international integration, labour mobility is inevitable. Therefore, the mutual recognition of NOS qualifications among countries becomes an indispensable tool to facilitate workers’ entry into the regional and international labour markets. In this connection, it is essential to establish a benchmark between the NOS framework and the national qualifications framework which can be used for mutual recognition of qualifications and occupational skills between Viet Nam and other countries in ASEAN and in the world.

Recommendations

In order to establish an efficient and effective system of NOS assessment and certification in practice, it is important to take appropriate measures, in particular:

- The requirement for mandatory NOS certificates shall be a momentum for the workers’ upskilling and help companies improve their production and business. Workers with NOS certificate shall have better skills. Therefore, MoLISA should update, on a regular basis, the list of occupations where NOS certification is required, and promulgate relevant policies/regulations.
- Enterprises and employers should take a major responsibility in NOSS development via the Sector Skills Councils.
- It is important to communicate to all relevant stakeholders the purposes, processes and benefits of NOS, and at the same time, to issue policies and regulations on the rights and responsibilities of the business sector for their participation in the NOSS development and NOS assessment.

⁴⁴ These standards are developed by the Japanese specialists based on the Japanese standards. The Japanese standards have three levels where level 1 is the highest level of occupational skills

CHAPTER 7

VET QUALITY ASSURANCE AND ACCREDITATION

Quality accreditation and development of a quality management and assurance system is important for the improvement of the effectiveness and efficiency of VET governance. It contributes to better training quality at VET institutes. This chapter will introduce new guiding documents on VET accreditation and quality assurance and give an overview of the situation of self-accreditation at VET institutes. It also briefs about international cooperation in VET quality assurance in Viet Nam in 2017.

7.1. VET quality accreditation

7.1.1. Criteria and standards for VET quality accreditation

Circular No. 15/2017/TT-BLĐTBXH promulgated by MoLISA on 8 June 2017 defines the criteria and standards for VET quality accreditation. This Circular is applicable to VET institutes, higher education institutions registered for college training activities, enterprises registered for elementary training, VET quality accreditation agencies and related institutions and individuals.

The quality accreditation of a VET institute is defined as the evaluation and recognition of its activities to determine the level of its performance against quality accreditation criteria and standards. Accordingly, there are eight criteria for evaluating a VET centre, namely: (1) Goals, missions, organisational structure and management; (2) Training activities; (3) Teachers, management staff, civil servants and other employees; (4) Curricula and training syllabi; (5) Training infrastructure and equipment; (6) Financial management; (7) Student services; and (8) Quality monitoring and evaluation. In addition to these eight criteria, scientific research, technology transfer and international cooperation are criteria for evaluation of secondary VET schools and colleges.

The accreditation of elementary, intermediate and college training programmes is defined as the evaluation and recognition of training programmes delivered by a VET institute by determining to which extent the training programmes meet the expected accreditation criteria and standards which are regulated in this Circular and in other relevant regulations.

Seven criteria are used for evaluating elementary training programs, namely: (1) Objectives and financial resources; (2) Training activities; (3) Teachers, management staff and employees; (4) Curricula and training syllabi; (5) Training infrastructure and equipment; (6) Student services and (7) Quality monitoring and evaluation.

The evaluation of intermediate and college training programmes also consists of seven criteria, namely: (1) Goals/objectives, management and finance; (2) Training activities; (3) Teachers, management staff and employees; (4) Curricula/syllabi; (5) Physical facilities, training equipment and library; (6) Students services; and (7) Quality monitoring and evaluation.

The criteria and standards for VET quality accreditation stipulated in Circular No. 15/2017/TT-BLĐTBXH are of significant importance for the following reasons. Firstly, these criteria and standards can be referred to as a quality assurance tool to be used by VET institutes

to evaluate their training quality and report to the relevant state agencies, the learners and the community about their training quality. Furthermore, VET quality accreditation agencies can use these criteria to evaluate and recognise a VET institute as being performing or non-performing against the VET quality accreditation standards. Apart from that, other concerned organisations and individuals can draw upon these criteria and standards as a basis for their assessment, monitoring, evaluation and social debates related to the performance of the concerned VET institutes.

7.1.2. Results of VET quality accreditation

During the period of 2008-2015, the quality accreditation practice followed the provisions of the Law on Vocational Training of 2006. The General Directorate of Vocational Training (GDVT), currently DVET, conducted external evaluation, recognised and announced the overall accreditation results of 184 then called vocational training (VT) institutes (out of 239 accredited VT institutes). During this period external evaluation was conducted for 51% of total vocational colleges, 20% secondary vocational schools and 3% vocational training centres (*Refer to Vietnam VET Report 2015*).

Pursuant to the VET Law of 2014, since 2016 external evaluation of VET institutes should be conducted by VET accreditation agencies. However, until end of 2017 no VET accreditation

agencies were sufficiently capable to get a licence for external VET evaluation. During 2016-2017 quality accreditation was mainly focused on self-accreditation (self-evaluation) which was conducted by VET institutes.

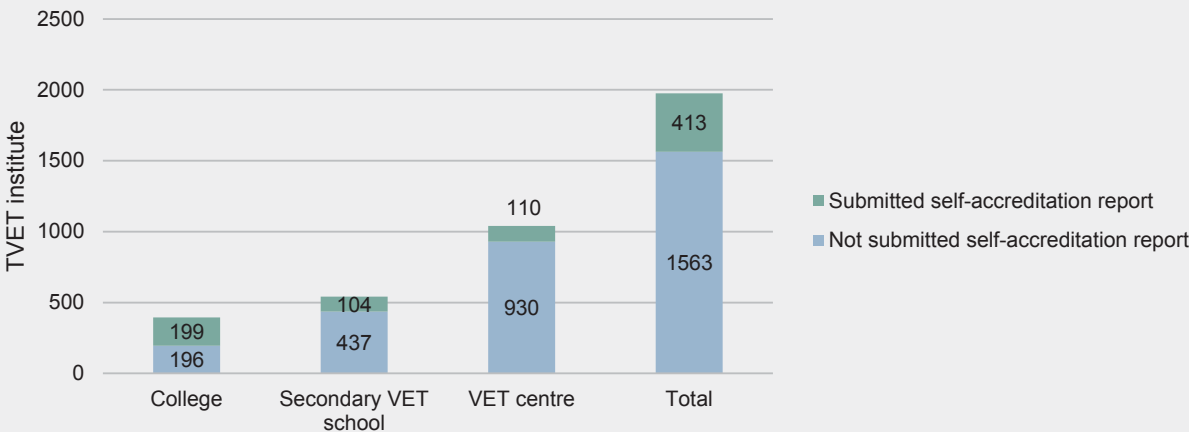
7.1.3. Results of VET quality self-accreditation

In 2017, as instructed by DVET, quality self-accreditation of VET institutes was to be implemented according to Circular No. 15/2017/TT-BLDTBXH. However, the self-accreditation process was still implemented according to the provisions of Circular No. 42/2011/TT-BLDTBXH issued on 29/12/2011 by MoLISA specifying vocational training accreditation procedures (due to the unavailability of legal documents on VET accreditation procedures).

As reported by the provincial DoLISAs and VET institutes to DVET in 2017, out of a total of 1,976 VET institutes nationwide, the number of VET institutes that conducted self-accreditation and submitted a self-accreditation report to DVET accounted for 20.9% (413 institutes).

As illustrated in Figure 7.1, among the VET institutes that submitted their self-accreditation report, there were 199 colleges (or 50.38% of total colleges), 104 secondary VET schools (or 19.22% of total secondary VET schools), and 110 VET centres (or 10.66% of total VET centres).

Figure 7.1: Number of VET institutes that submitted self-accreditation reports

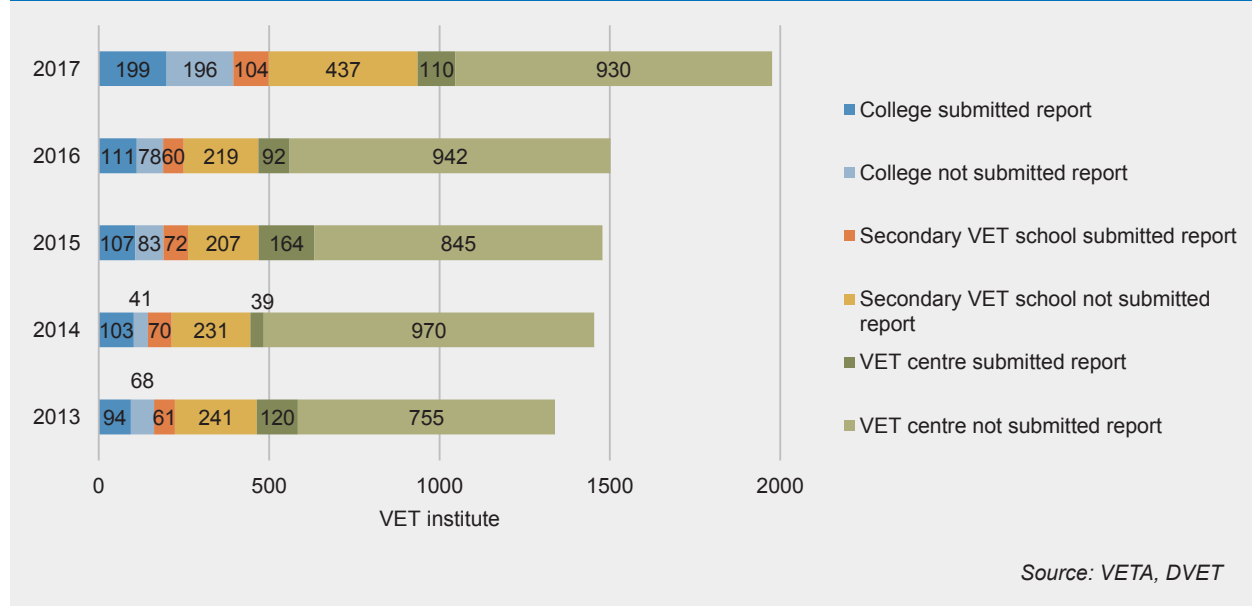


Source: VETA, DVET

In general terms, there was an upward trend in the number of VET institutes that conducted self-accreditation in 2017, with the strongest increase observed among colleges (showing an increase

of 88 colleges compared with 2016). However, the number of VET institutes that did not submit their self-accreditation report remained considerably large as shown in Figure 7.2.

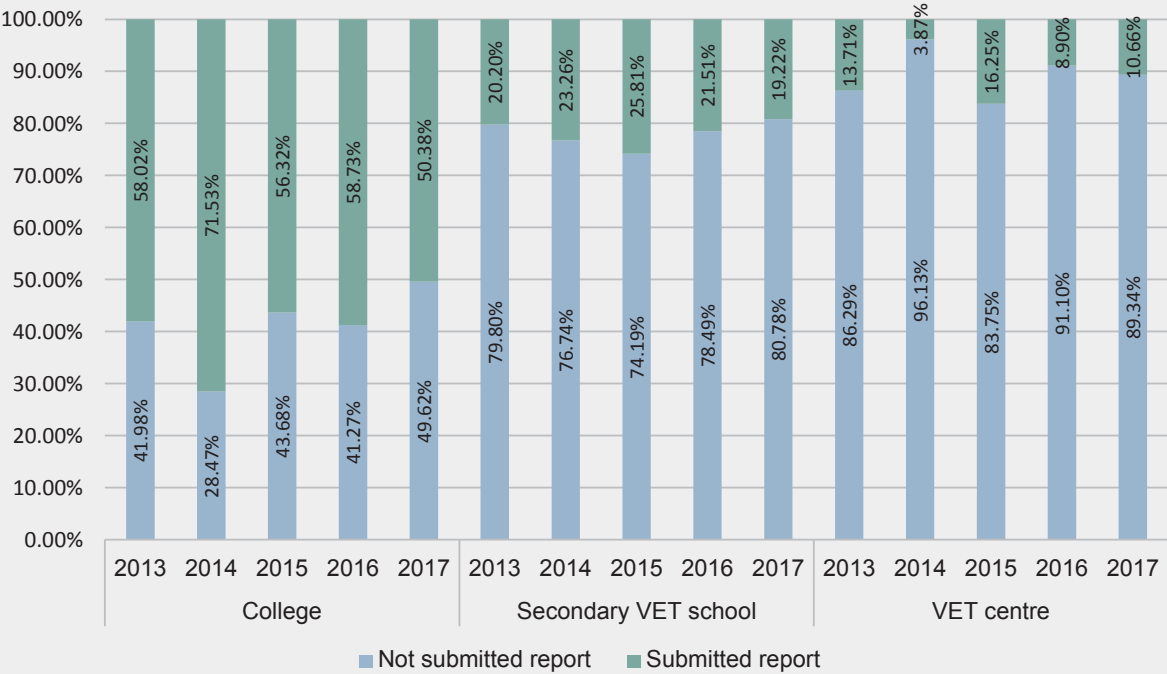
Figure 7.2. Number of VET institutes that submitted self-accreditation reports during 2013-2017



Although self-accreditation is mandatory as stated in the laws and legal guidelines, the percentage of VET institutes performing self-accreditation was very low due to several reasons. Firstly, many VET institutes did not pay proper attention to the accreditation requirements. Secondly, the provisions of Decree No. 79/2015/ND-CP on sanctioning measures against violations of regulations in the field of VET, including VET reporting and self-accreditation reporting regulations, were

not actually effective in the whole VET system. Therefore, various measures should be taken to strengthen the responsibilities of the state management agencies to promote and supervise VET institutes to implement self-accreditation, as well as to enforce penalties for incompliance of the existing regulations. Figure 7.3 gives a clearer picture of the situation of self-accreditation implemented by VET institutes.

Figure 7.3: Percentage of VET institutes that submitted self-accreditation report during 2013-2017 (%)



Source: VETA, DVET

7.2. Training and further training on accreditation of VET quality

In 2017 there was no training on VET accreditation. Since 2008, DVET had trained 957 external accreditors of VET institutes, 232 external accreditors of training programmes (for pilot purpose), 2,511 internal accreditors of VET institutes and 350 internal accreditors of training programmes (for pilot purpose).

7.3. VET quality assurance

7.3.1. National VET quality assurance framework

Development of a qualifications quality assurance framework

Quality assurance plays a decisive role in the process of development and modernisation of the VET system. It contributes to the

improvement of the VET quality and image. In the context of international integration with increasing needs for skills and qualifications mutual recognition, quality assurance and recognition of qualifications and certifications have become essential and crucial in the VET system. Decision No. 899/QĐ-TTg issued by the Prime Minister to approve the Target Program on Vocational Education and Training – Employment and Occupational Safety for the period 2016 - 2020 indicates that it is necessary to develop a Vietnamese national qualifications quality assurance framework with reference to the regional and international quality assurance framework which can be used as a basis for mutual agreements on recognition of qualifications and occupational skills between Viet Nam and other countries in the region and in the world.

ASEAN Qualification Reference Framework (AQRF)

The Vietnamese National Qualification Framework (VQF) was approved by the Prime Minister in Decision No. 1982/QĐ-TTg dated 18/10/2016. It consists of 8 qualification levels, including: Level 1 – Certificate of Level I; Level 2 – Certificate of Level II, Level 3 – Certificate of Level III, Level 4 – Intermediate degree; Level 5 – College degree; Level 6 – University degree; Level 7 – Master degree; Level 8 – Doctor degree. In general, the VQF is compatible with the AQRF in regard to the number of qualification levels and the learning outcomes-based approach.

AQRF aims to support mutual recognition agreements by providing a reference for comparison of the qualifications recognised in different countries. An AQRF Committee was established in 2017 with the mission to build trust among ASEAN member states by exchanging good practices and transparent referencing process. Each ASEAN member is required to establish a national AQRF Committee to be a focal national coordinator to coordinate the cooperation between the national policy making and qualifications/certification management agencies and the AQRF Committee, and report to the AQRF Committee about the national qualifications referencing process. By the end of 2017, Viet Nam had not established a national AQRF Committee.

7.3.2. Regulations on the quality assurance system of VET institutes

Circular No. 28/2017/TT-BLĐTBXH issued by MoLISA in 2017 stipulates the quality assurance system of VET institutes which becomes effective from 1 February 2018.

This Circular provides for specific guidance for the implementation of the quality assurance system of VET institutes and focusses on two main areas: i) Development, operation, evaluation and improvement of the quality assurance system; and ii) Self-evaluation of VET quality.

The Circular provides detailed guidance for the development, implementation, evaluation and improvement of the quality assurance system. It also provides instructions for the organisation, personnel arrangement for quality assurance, and establishment of a quality assurance documentation and information system.

Furthermore, the Circular provides guidance for the development of the management information systems with the required database and information infrastructure. It defines principles for establishing an open and expendable database connected with the information management systems of the VET state management agencies at various levels. This will eventually help secure the provision of updated, accurate, uninterrupted and enabling information for the VET state management, streamline the reporting procedures, reporting time, etc., hence contributing to the renovated institutional governance and administrative procedures.

One of the most important provisions of the Circular is the principal requirement that a quality assurance system must be “linked to the autonomy and accountability of VET institutes”. This requirement emphasises the importance of quality assurance in connection with the autonomy of VET institutes.

7.3.3. Cooperation programme with the British Council in the development of quality assurance system at high-quality VET colleges

In 2017, the cooperation programme implemented by DVET and the British Council on the development of the VET quality assurance system continued at the selected VET colleges. During three years of the programme implementation (2015-2017) 68 leaders and teachers from Vietnamese colleges had study visits to colleges in the UK to exchange experiences on skill development approaches and quality assurance system. 1,379 managers, staff and lecturers were trained; 243 new procedures and instruments of

the quality assurance system were developed and applied in 183 departments/faculties/units in Vietnamese colleges.

At present, 21 VET colleges in Viet Nam are applying the quality assurance processes and instruments that have been transferred from the cooperation programme. Early steps of a quality assurance culture have been established at the colleges.

7.3.4. Cooperation with GIZ concerning the integration of quality assurance instruments in the quality assurance system at VET colleges

As of 31 December 2017, as the result of the first phase of the GIZ-DVET cooperation programme for the integration of quality management instruments in the quality assurance system, eight VET colleges were introduced with three quality management instruments, including tracer study, enterprise survey and workshop management, which had been developed in the framework of the Programme “Reform of TVET in Viet Nam”. Starting from 2017 the second phase of this cooperation programme envisaged that 20 colleges would receive and use these quality management instruments in their quality assurance system.

7.4. Accreditation and quality assurance in connection with the autonomy of VET institutes

The quality assurance and self-accreditation system within a VET institute serves not only as a tool which supports its autonomous operation but also as an important mechanism to enhance its institutional accountability. This tool will promote stronger monitoring of training quality by state management agencies and the community. Autonomy and accountability are closely associated, in which accreditation helps guarantee the accountability of VET institutes. In fact, accreditation does not put a limit on the autonomy of VET institutes but contributes to an effective evaluation of

their actual status quo which is important for their appropriate subsequent management solutions. In addition, the permission for autonomy must also be based, from the management agency perspective, on the results of VET accreditation.

However, VET institutes have not paid adequate attention to self-accreditation as confirmed by the number of self-accreditation reports submitted to DVET. In the context of more extensive autonomy for VET institutes, this situation may raise a couple of questions. For example: Would an un-accredited VET institute be subject to limited autonomy? In which way shall the community monitor the VET quality of a VET institute should it fail to demonstrate an accountability through accreditation? What benefits does a VET institute earn after completing accreditation and enforcing its autonomy?

Conclusions

In 2017, the percentage of VET institutes that submitted their self-accreditation reports to DVET was rather low, accounting for only 20.9% of the total TVET institutes nationwide. Apart from that, the fact that so far no VET accreditation agencies had been established partly implied that the VET system was not really ready to use internal and external evaluation as instruments to support the autonomy and accountability of VET institutes.

Circular No.15/2017/TT-BLDTBXH provides for criteria and standards for VET quality accreditation, and Circular No. 28/2017/TT-BLDTBXH stipulates the quality assurance system of VET institutes. These two important documents contribute to the creation of a quality assurance culture, and at the same time, serve as a basis for VET institutes to develop their quality management systems and to improve training quality.

In 2017 international cooperation in the field of VET quality assurance continued. In the frame of the cooperation programme with GIZ the

developed quality management instruments continued to be integrated in the quality assurance system at the Programme colleges. In parallel, the results of the cooperation programme with the British Council were assessed for further development of a VET quality assurance system in VET colleges.

Recommendations

For more effective VET accreditation and quality assurance in Viet Nam, it is crucial to keep on taking the following measures:

- Raise awareness of the importance of VET quality assurance and accreditation in the context of the autonomy of VET institutes, and provide training on VET quality assurance and accreditation for management staff, teachers and other staff at VET institutes.
- Managing agencies at different levels should provide VET institutes under their

supervision with instructions, directions and thorough monitoring of the VET quality accreditation process in accordance with legal regulations.

- Enforce administrative sanctions against violations related to VET quality accreditation reporting.
- Encourage VET institutes to assess their current status quo, to establish institutional quality assurance processes and instruments, and at the same time, to develop and improve the rules for operating/ managing the institutional quality assurance information system.

In the context of stronger autonomy of VET institutes, an effective accreditation process would enhance the accountability of VET institutes and help strengthen the supervision role of the society in regard to VET quality.

CHAPTER 8

FINANCING VOCATIONAL EDUCATION AND TRAINING

Financing VET plays a decisive role in the improvement of training quality. In the process of the realisation of autonomy of VET institutes, good financial information and data are important for VET institutes to make decisions related to their development strategies. Due to insufficient data in 2017, this chapter only presents data on state budget spending on vocational training until 2016. The chapter also analyses selected results of the piloted autonomy of public VET institutes.

8.1. State budget for VET

Over the past years, the Government has always allocated a considerable proportion of the state budget to education and training in spite of the limited state budget⁴⁵. The state budget is still defined as the major and most important financing source for vocational training in the country and plays a decisive role

in the development of the vocational training system in Viet Nam (Table 8.1).

Under the current mechanism of state budget allocation for vocational training, MoLISA is only engaged in the process of estimating and allocating the state budget for the national target programmes, but not for recurrent expenditures and capital infrastructure investments.

Table 8.1. State budget expenditure on vocational training during 2011-2016

Year	State budget for vocational training (Billion VND)	Ratio of state budget for vocational training in GDP (%)	Ratio of state budget for vocational training in total state budget (%)	Ratio of state budget for vocational training in total state budget for education and training (%)
2011	9,800	0.45	1.63	8.16
2012	10,746	0.47	1.55	8.08
2013	11,784	0.46	1.21	8.15
2014	14,308	0.53	1.42	8.20
2015	16,453	0.57	1.43	8.33
2016	15,884	0.52	1.25	8.12
2017	NA	NA	NA	NA

Source: Calculations based on DVET/GSO data

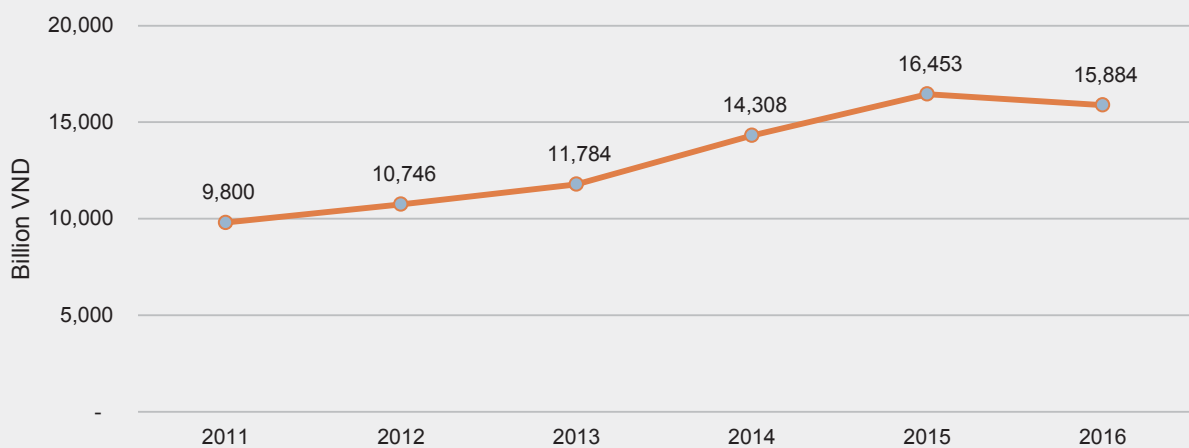
⁴⁵ State budget includes national state budget and local state budget

In terms of structure, during 2011-2016 there was, in fact, a yearly increase of the ratio of the state budget for vocational training in GDP, in the total state budget as well as in the total budget for education. In 2016, the state budget spending on vocational training accounted for 0.52% of GDP, 1.25% of the total state budget and 8.12% of total state budget for education.

Figure 8.1 presents a picture of the state budget spending on vocational training. In absolute terms, the state budget for vocational training

represented a steady increase of approximately 1 trillion VND each year during the period 2011-2016. A special case can be observed in 2015 with an increase of 2,145 billion VND compared with 2014. However, there was a different pattern in 2016 with a decrease of 569 million VND compared with 2015. This can be explained by 2015 being the closing year of the 2011-2015 target programme while the Government was underway of approving the 2016-2020 target programme. As a result, there were not many activities taking place in 2016.

Figure 8.1. State budget expenditure on vocational training during 2011-2016



Source: Calculations made based on DVET/GSO data

The budget for vocational training is currently allocated to three categories: recurrent expenditures, basic construction expenditures and target programmes.

Recurrent expenditures on vocational training represent a major source of funding for the achievement of VET objectives. They cover the costs spent by VET institutes on regular tasks which are entitled to be financed by the state budget.

Basic construction investments target the construction of infrastructure and facilities needed by VET institutes. They cover expenditures for new constructions, renovation and upgrading

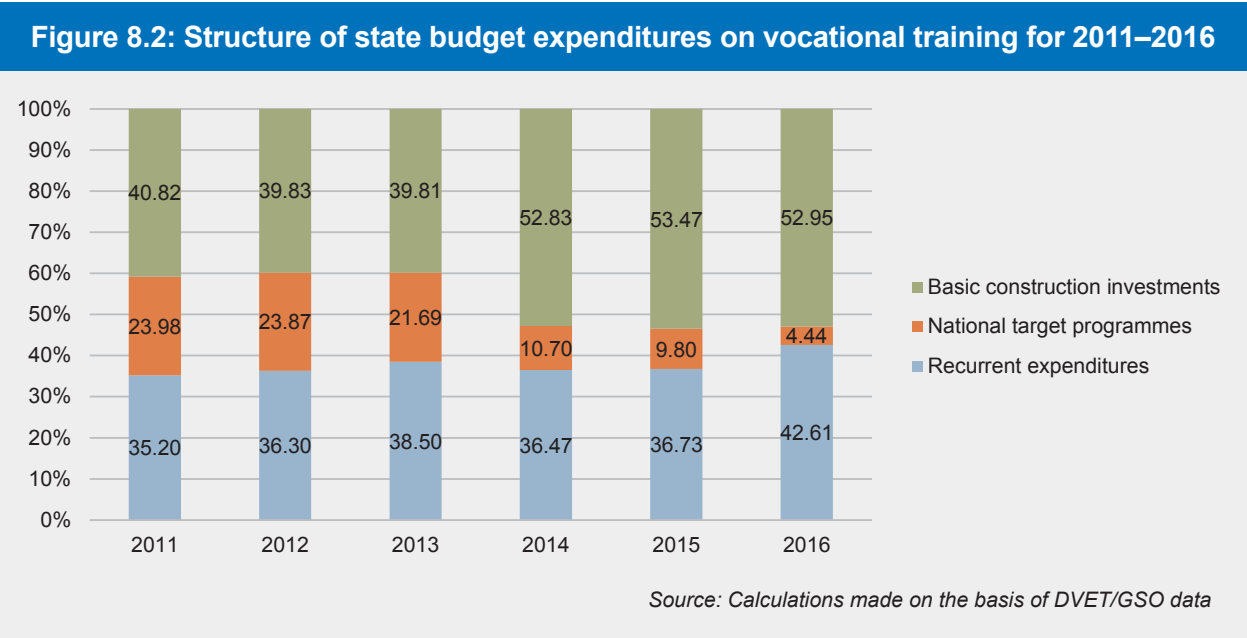
of school buildings, classrooms, laboratories, workshops, libraries, working offices and equipment for teaching and learning, and academic research in VET institutes.

Target programmes aim at achieving specific urgent objectives or addressing major shortfalls in vocational education and training within specific periods. In 2017, the Prime Minister issued Decision No. 899/QĐ-TTg dated 20/6/2017 approving the Target Programme for Vocational Education and Training – Employment and Labour Safety for the period 2016-2020. The Project “Reform and Improvement of VET Quality” was one component of this Programme. The total budget of the Project was 12,197.2

billion VND (equal to 537,724,287 USD), of which: 157.2 billion VND was the development investment from the national state budget; 7,495 billion VND was non-business funding from the national state budget; 2,800 billion VND from the local state budget (of which: 1,600 billion VND was development investment and 1,200 billion VND was non-business funding); 625 billion VND from ODA sources (as non-business funding); and 1,120 billion VND from other sources (as non-business funding). The Project’s overall objective until 2020 is to

support a comprehensive and dynamic reform of fundamental VET aspects, including VET policies, competence-based and learning outcome-based training and improved quality of market-oriented training in the context of the ASEAN and international integration. In 2017 the Project had just commenced with setting-up activities.

Figure 8.2 shows the ratios of the three state budget expenditure categories.



It is noted that the state financing for recurrent expenditures experienced a slight increase, and the basic construction investments showed a relatively rapid increase while the financing for national target programmes tended to decrease over the past years. This structure reflected the VET financing situation during 2011-2016 when an emphasis was placed on infrastructure investments and operational recurrent expenditures of VET institutes.

8.2. Autonomy of public VET institutes

The autonomy and accountability of public service institutions and educational institutions

in their operation, organisational structure, human resources and financial management is stipulated in Government Decree No. 43/2006/ND-CP dated 25/4/2006 and the subsequent Decree No. 16/2015/ND-CP dated 14/2/2015.

Achieved results of the autonomy approach

Public service institutions in the VET sector have been implementing the Government decrees, and the following initial results are noted:

- Several VET institutes located in big cities are now able to cover part of their recurrent expenditures thanks to the additional revenues gained from the provided VET services.

- Based on the guidance provided by MoF, public VET institutes have established internal rules for efficient financial management and financial resources utilisation, improved work arrangements, improved staffing and cost-effective utilisation of state budget allocations to secure their permanent operation and payroll payment. Several VET institutes have already planned to establish funds for infrastructure investments and training expansion and become proactive in looking for new diversified income generation potentials.
- Three piloting colleges have been provided with full autonomy in their operation in terms of training, researches, technology, finance and personnel management. These colleges have made positive changes in their financial operations⁴⁶. They have become proactive in utilising their assets and human resources for income generation. The income derived from tuition fees and production/business activities has increased. The staff and teachers' average salaries have gradually increased.
- The mobilisation of public participation and engagement of enterprises in VET has not been strategically implemented.
- Most of VET institutes, especially those located in mountainous, isolated, remote and disadvantaged areas, are not able to cover their recurrent expenditures due to low income from tuition fees, high training costs and low numbers of trainees.

Main causes of limitations

- The applied policies to promote enterprises' active engagement in VET activities have proved not being sufficiently attractive for enterprises.
- The current policies do not allow VET institutes to exercise full autonomy in their operation as well as in their institutional, personnel and finance management. VET institutes are restricted with pre-defined quota of number of students and prescribed threshold-based tuition fees. Therefore, there are no substantial differences, in terms of state budget allocations for recurrent expenditures, between fully-autonomous and partially-autonomous VET institutes.
- State budget for recurrent expenditure continues to be allocated on an average basis, i.e. according to the number of staff on the payroll, organisational structure and student intakes.
- There has been a lack of incentives for VET institutes to increase their revenues. Generation of additional revenues from production and service activities and utilisation of the existing facilities and equipment for business purposes is restricted by government regulations on public assets management. Due to their limited facilities many VET institutes do not have much opportunity to increase their

Challenges for autonomy of VET institutes

Along with the aforementioned results, the enforced autonomy of public VET institutes has revealed several restrictions in the field of finance and investment management. For example:

- Many VET institutes still prefer to receive block grants for their expenditures instead of exercising their rights of autonomy and mobilising public financial resources for their VET activities.
- Moreover, VET institutes are not pro-active enough in generating revenues, and they have not managed to establish a close linkage between their production/business activities and the training programmes.

⁴⁶ According to the reports on autonomy performance submitted by the three colleges

revenue profile. Furthermore, many of them are still not creative and active in looking for new sources of income generation by combining production/business activities with training activities.

- The income arisen from tuition fees is rather low and insufficient for VET institutes to cover their training expenses as tuition fees are regulated by the state pre-defined norms (refer to Decree No. 86/2015/ND-CP). Moreover, increased tuition fees would cause an increasing pressure for the learners and the community.
- The existing policies related to the mobilisation and utilisation of voluntary donors' contributions to VET activities are still not supportive enough for VET institutes to receive donations, gifts or contributions from domestic and foreign agencies, organisations and individuals.
- There are not many preferential policies for VET institutes to access loans from credit institutions which are needed for the construction of workshops, dormitories and other infrastructure to be used for the provision of VET public services.

Recommendations

To support the autonomy of VET institutes, it is important to consider the following measures:

- Improve the mechanism of state budget allocation for recurrent expenditures of VET institutes by replacing the existing system of state budget allocation which is based on input criteria (such as number of permanent staff on payroll and norms of student intakes) with output criteria (such as number of graduates, job placement rate, number of orders and services provided with the state budget, operational efficiency) which are monitored and evaluated by transparent and regularly updated performance indicators;
- Promulgate a list of VET public services; develop and introduce technical-economic

norms, cost rates and criteria and standards for each type of VET public services;

- Replace the project-based budget allocation with a preferential credit-based investment mechanism; to shift from scattered investments to more focused investments; introduce a system of transparent selection criteria for capital investment projects based on the priorities described in the overall economic development strategies;
- Develop and define the ratio of salary/wage expenses in the training costs so that VET institutes can use it as a reference in paying salary to their staff and teachers;
- Allocate sufficient state budget for financing those public services which are expected to be fully or partially funded by the state according to the developed roadmap;
- Provide tuition fee allowances for students who are entitled to tuition fee exemption/reduction and expand the coverage of the student credit scheme; give those who are not entitled to state financial aid more opportunities for credit loans to cover their learning expenses; and apply a future-income-based repayment approach;
- Encourage VET institutes to set up production and service centres in order to enhance the linkage between production/business and training activities; hand over state-owned assets to public service institutions.

Conclusions

Along with various measures for the mobilisation of diversified financial resources for VET development, it is crucial to improve the effectiveness of state budget expenditures for VET. This improvement of state budget allocations implies not only a change in state investments to VET institutes but puts also an emphasis on the autonomy and accountability of public VET institutes. It is important to issue a decree which provides guidelines for the implementation of the

autonomy in public VET institutes so as to bring the autonomy mechanism into effect. At the same time, the monitoring and evaluation of the results of the renovated operational mechanism achieved by the three piloting colleges is also of significant importance for drawing lessons learnt and modelling their

operational approaches. In addition, when VET institutes step in a new operating mechanism, it is necessary to improve their financial management and investment capacities, thus helping them guarantee effective operations under new circumstances.

CHAPTER 9

COOPERATION WITH ENTERPRISES IN VOCATIONAL EDUCATION AND TRAINING

The effective and efficient linkage between market-oriented vocational education and training and the business sector is a crucial factor for the improvement of VET quality. Therefore, the chapter “Cooperation with enterprises in vocational education and training” of the Viet Nam VET Reports 2015 and 2016 addressed different aspects of the cooperation between VET institutes and the business sector and introduced pilot cooperative training programmes. In 2017, this chapter will focus on the engagement of enterprises in VET activities and employers’ evaluation of employees’ competence.

9.1. Cooperation between enterprises and VET institutes

Based on the calculations from the survey data on the “Enterprises’ Demand for Workforce in 2017” provided by the Department of Employment in MoLISA, there were approximately 530,000

enterprises in the country, of which non-state enterprises accounted for 78.35%, state-owned enterprises accounted for 8.05%, and foreign-invested enterprises made up 13.60% as shown in Figure 9.1.

Figure 9.1: Enterprises by type of ownership (%)

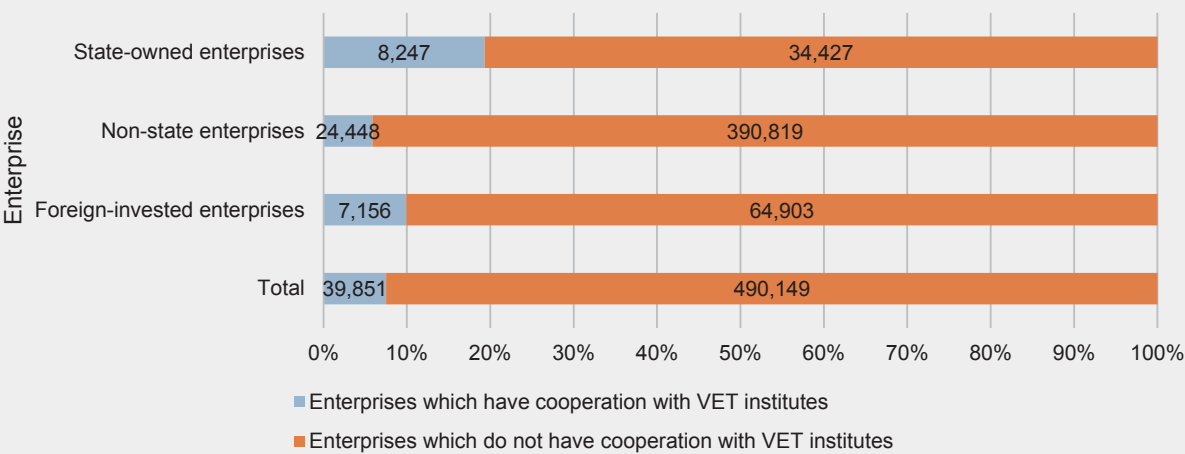


Source: Calculations from the survey data “Enterprises’ Demand for Workforce in 2017”, Department of Employment

The percentage of enterprises that had cooperation with VET institutes was rather low (7.52%). Non-state enterprises showed the lowest percentage of cooperation with VET institutes (only 5.89%), while the percentage

of foreign-invested businesses that had cooperation with VET institutes accounted for 9.98%. State-owned enterprises having cooperation with VET institutes accounted for 19.33% (Figure 9.2).

Figure 9.2. Enterprises having cooperation with VET institutes

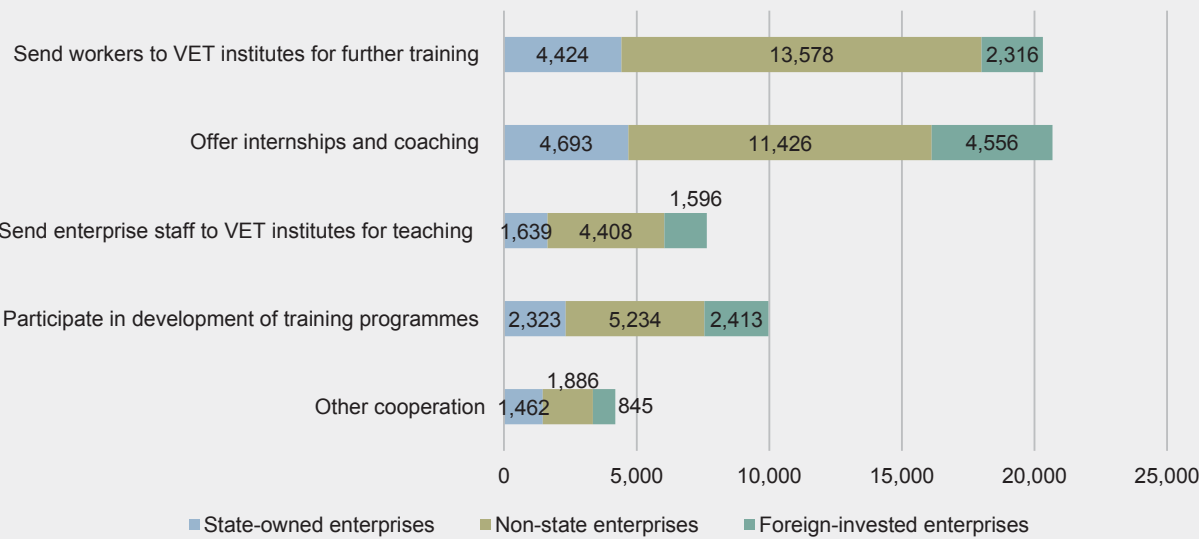


Source: Calculations from the survey data “Enterprises’ Demand for Workforce in 2017”, Department of Employment

The most common forms of cooperation between enterprises and VET institutes were to offer internships and coaching (20,675 participating enterprises) and to send workers to VET institutes for further training (20,316 participating enterprises). Other forms of stronger

and closer cooperation, such as participation in the development of training programmes, occupational standards, assessment of students’ learning outcomes, sending enterprise staff to VET institutes for teaching, joint training were found to be very limited as shown in Figure 9.3.

Figure 9.3: Forms of cooperation between enterprises and VET institutes



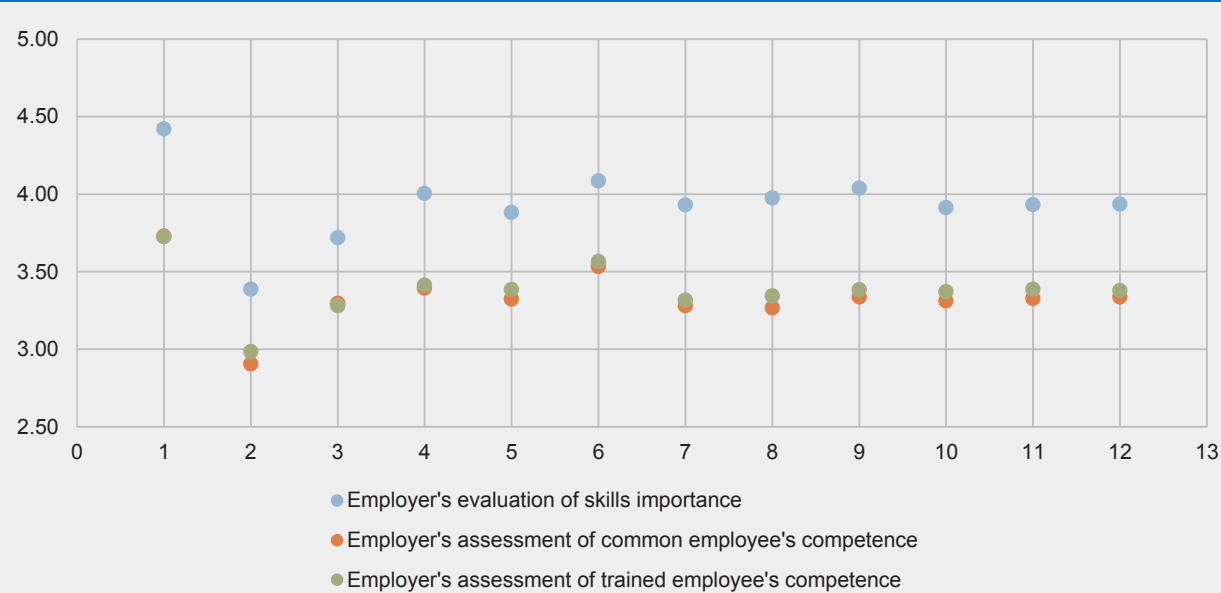
Source: Calculations from the survey data “Enterprises’ Demand for Workforce in 2017”, Department of Employment

9.2. Employer’s assessment of employees’ competence

Employer’s assessment of the importance of each type of knowledge and skills was measured by using a scale from 1 to 5 with 1 being unimportant and 5 very important. Employer’s satisfaction of the employee’s performance is also measured on a scale from 1 to 5 where 1 is understood as completely unsatisfactory and 5 is understood as completely satisfactory. According to the results of the survey conducted

by the Department of Employment in MoLISA, regarding certain knowledge and skills, though the performance of VET-trained employees was higher than that of the average enterprise employees, the difference was not noticeable. Occupational competence of the employees is evaluated by employers as the most important, followed by occupational safety and health, problem solving skills and communication skills (Figure 9.4).

Figure 9.4. Employer’s assessment of the skills importance and employee’s performance



Note: 1. Occupational competence; 2. Foreign language skills; 3. Computer skills; 4. Communication skills; 5. Teamwork; 6 Occupational safety and health; 7. Business skills; 8. Creative thinking; 9. Problem solving; 10. Time management; 11. Concentration skills; 12. Average

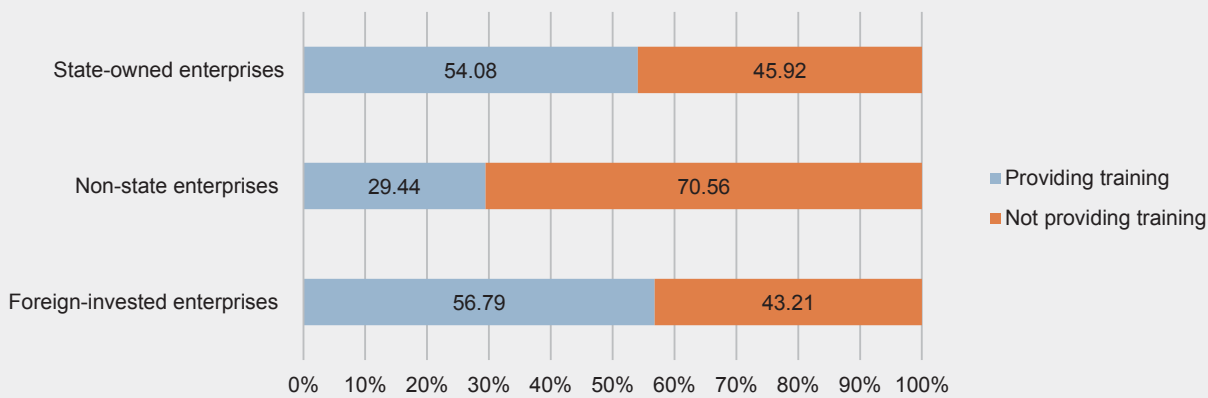
(Source: Calculations from the survey data “Enterprises’ Demand for Workforce in 2017”, Department of Employment)

9.3. Training provision for employees

The number of enterprises that provided training for their employees accounted for 35.15% (186,000 enterprises) of the total number of enterprises in the country. State-owned and foreign-invested enterprises offered more

training compared with non-state enterprises. The number of non-state enterprises which provided training for their employees accounted for only about 30% of the total 415,000 non-state enterprises (Figure 9.5).

Figure 9.5: Enterprises which provided training for the employees (%)

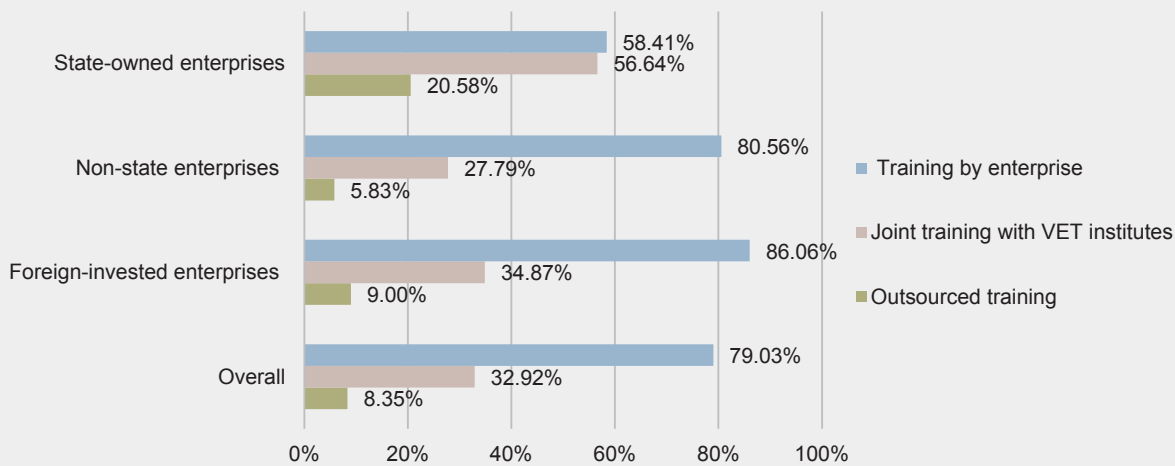


Source: Calculations from the survey data “Enterprises’ Demand for Workforce in 2017”, Department of Employment

Concerning the types of training organisers, overall, the number of participating enterprises that delivered training on their own made up 79.03% while enterprises engaged in joint

training with VET institutes accounted for 32.92%. Those who chose to fully outsource the training for their employees accounted for 8.35% (Figure 9.6).

Figure 9.6: Types of training organised by enterprises



Source: Calculations from the survey data “Enterprises’ Demand for Workforce in 2017”, Department of Employment

Trainings were provided for 8,179,158 participating employees. Out of these, 6,079,283 persons came from direct business and production divisions, and the remaining

were employees from indirect administrative and supporting divisions and management staff (Figure 9.7).

Figure 9.7: Structure of training participating employees (%)

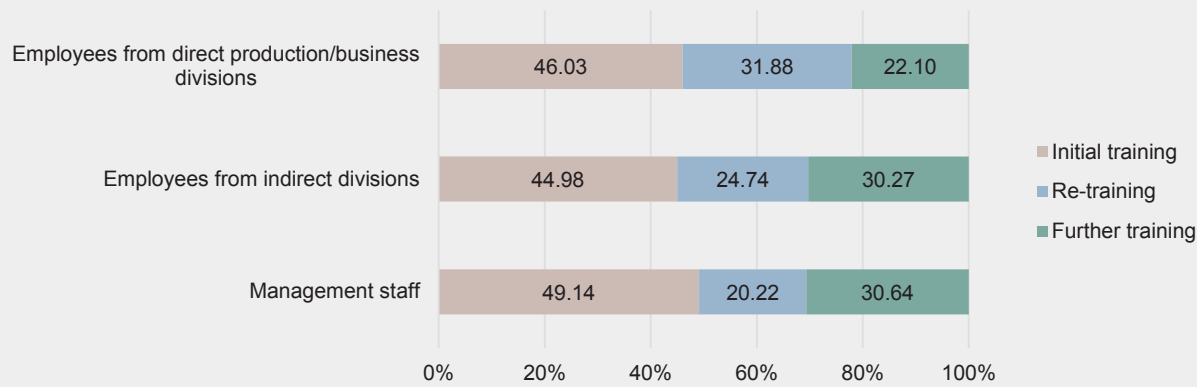


Source: Calculations from the survey data “Enterprises’ Demand for Workforce in 2017”, Department of Employment

Figure 9.8 indicates that enterprises delivered different types of training for each employee category based on the employees’ work requirements. It shows that initial training was delivered quite often. However, re-training was

offered more often than further training for employees from direct divisions, while further training was offered more frequently than re-training for management staff and employees in indirect divisions.

Figure 9.8: Types of training by employee category (%)



Source: Calculations from the survey data “Enterprises’ Demand for Workforce in 2017”, Department of Employment

The employers’ assessment on the importance and priority of different skills and knowledge indicates that trainings should be focused on occupational skills (as evaluated by 67% of enterprises) and occupational safety and health (as evaluated by 44% of enterprises).

9.4. Experiences on cooperation with the business sector reported by the three autonomy piloting colleges

Cooperation with the business sector has been perceived as a matter of importance by the three autonomy piloting colleges. They maintain long-term mutual beneficial cooperation with “strategic” enterprises and sign training agreements and training orders with enterprises.

In order to improve the quality of training programmes these colleges have streamlined their training curriculum and training

programmes which are directed at better demand-driven and practice-oriented training. They engage enterprises, professional and business associations in the development of occupational standards and training programmes, sign MOUs with enterprises for sending students for internships, in-company training for teachers and delivering selected modules/ subjects at enterprises.

To improve the quality of trainers, study visits are organised for college teachers to come to enterprises to update their practical skills, while technical staff from companies are invited to participate in college teaching activities.

These colleges sign labour supply contracts with enterprises, keep students informed about vacant job positions at enterprises as soon as the students register for college training, make commitments to students about full employment after graduation and conduct enterprise surveys periodically to collect employer's feedback on graduates' performance.

Conclusions

The development of market-oriented vocational education and training is currently an

indispensable trend. One of the breakthrough solutions is the strengthened cooperation between VET institutes and enterprises in improving the demand-driven training quality. This cooperation is of mutual benefit for VET institutes and enterprises. However, in 2017, the percentage of enterprises that maintained cooperation with VET institutes was quite low (7.52%). Only 35.2% of enterprises organised training for their employees, of which 79% of enterprises conducted trainings on their own. The business sector was, in fact, not fully motivated to get engaged in VET activities or cooperate with VET institutes.

Recommendations

It is important to define a list of core and important knowledge and skills for each specific occupation which can be used to research and accurately evaluate employers' satisfaction of employees' competences with regard to these respective knowledge and skills. Information on employers' satisfaction and their feedback on employees' competences will essentially help VET institutes identify prioritised skills areas to enable VET graduates to better meet employers' demands.

APPENDIX

Appendix 1: List of legal documents on vocational education and training issued in 2017

No	Code	Date of issuance	Name of document	Issued by
1	19-NQ/TW	25/10/2017	Further reform of the organisational and management system, improvement of the operational efficiency and effectiveness of public service institutions	Party Central Committee
2	899/QD-TTg	20/06/2017	Approval of the Target Programme for Vocational Education and Training-Employment and Occupational Safety for the period 2016-2020	Prime Minister
3	18/2017/QD-TTg	31/05/2017	Stipulation on the permeability from the intermediate and college training level to the university level	Prime Minister
4	03/2017/TT-BLDTBXH	01/03/2017	Procedures for the design, appraisal and issuance of training programmes and development, selection and appraisal of training materials for intermediate and college training levels	MoLISA
5	04/2017/TT-BLDTBXH	02/03/2017	List of grade-IV training occupations at intermediate and college levels	MoLISA
6	05/2017/TT-BLDTBXH	02/03/2017	Regulation for enrolment and definition of admission norms	MoLISA
7	06/2017/TT-BLDTBXH	08/03/2017	Regulation on recruitment, employment and further training of VET teachers	MoLISA
8	07/2017/TT-BLDTBXH	10/03/2017	Regulation on the working regime for VET teachers	MoLISA
9	08/2017/TT-BLDTBXH	10/03/2017	Regulation on standards for VET teacher professional qualifications and competence.	MoLISA
10	09/2017/TT-BLDTBXH	13/03/2017	Regulations for academic year-based or module/credit-based intermediate and college training programmes and rules for examinations and certification	MoLISA
11	10/2017/TT-BLDTBXH	13/03/2017	Formats of intermediate and college diplomas; diploma printing, issuing, monitoring, granting, revocation and annulment	MoLISA
12	12/2017/TT-BLDTBXH	20/04/2017	Definition of the minimum volume of knowledge and competencies to be achieved by the learners upon their graduation of an intermediate and college training	MoLISA
13	14/2017/TT-BLDTBXH	25/05/2017	Stipulation on the preparation, appraisal and issuance of training-related economic-technical norms applicable in the VET sector	MoLISA

14	15/2017/TT-BLDTBXH	08/06/2017	Standards and criteria for accreditation of vocational education and training	MoLISA
	1229/QĐ-BLDTBXH	04/08/2017	Correction notes to Circular No. 15/2017/TT-BLDTBXH dated 08/6/2017 issued by MoLISA on standards and criteria for accreditation of vocational education and training	MoLISA
15	17/2017/TT-BLDTBXH	30/06/2017	Regulation on the student affairs at secondary VET schools and colleges	MoLISA
16	29/2017/QĐ-TTg	03/07/2017	Functions and duties and organisational structure of the Directorate of Vocational Education and Training under MoLISA	MoLISA
17	27/2017/TT-BLDTBXH	21/09/2017	Regulation on the permeability of training in the VET system	MoLISA
18	103/2017/TT-BTC	05/10/2017	Regulation on the management and utilisation of non-business budget for the implementation of the Target Programme for Vocational Education and Training-Employment and Occupational Safety for the period 2016-2020	MoF
19	28/2017/TT-BLDTBXH	15/12/2017	Regulation on the quality assurance system of VET institutes	MoLISA
20	29/2017/TT-BLDTBXH	15/12/2017	Regulation on the delivery of joint training programmes	MoLISA
21	31/2017/TT-BLDTBXH	28/12/2017	Regulation on the in-service training at college, intermediate or elementary training level	MoLISA
22	34/2017/TT-BLDTBXH	29/12/2017	Regulation on recognition of VET diplomas and certificates granted by overseas VET institutes	MoLISA
23	36/2017/TT-BLDTBXH	29/12/2017	Promulgation of the list of arduous, hazardous and dangerous occupations trained at intermediate and college levels	MoLISA
24	37/2017/TT-BLDTBXH	29/12/2017	Promulgation of the list of in-demand but hard-to-enrol occupations of intermediate and college training	MoLISA
25	38/2017/TT-BLDTBXH	29/12/2017	Regulation on pedagogical training courses for elementary-level teachers; issuance of pedagogical training certificates for elementary-level teachers: original and copy certificate templates	MoLISA

Searching websites: <http://vanban.chinhphu.vn/portal/page/portal/chinhphu/hethongvanban>
<http://molisa.gov.vn/vi/Pages/vanbanphapluat.aspx?TypeVB=1>
<https://thuvienphapluat.vn/>

Appendix 2: List of licensed NOS assessment providers

No	Assessment providers	No	Occupations	Skills level
1	Viet Nam College of Coal and Minerals Mining (Hong Cam Mining College-Vinacom)	1	Underground Mining Techniques	1,2,3
		2	Mining Construction Techniques	1,2,3
		3	Underground Electro-Mechanical Engineering	1,2,3
		4	Coal Quality and Quantity Inspection	1,2,3
		5	Welding	1,2,3
		6	Industrial Electrics	1,2,3
		7	Automotive Technology	1,2,3
		8	Repair of Mining Equipment	1,2,3
2	Hung Vuong Vocational School of Technology	1	Graphic Design	1,2
		2	Mechatronics	1,2
		3	Operation and Repair of Refrigeration Equipment	1,2
3	Lilama 2 International Technology College	1	Welding	1,2,3
		2	Installation of pipelines	1,2,3
		3	Mechatronics	1,2,3
		4	Industrial Electrics	1,2,3
		5	Industrial Electronics	1,2,3
4	Dong An College of High Technology	1	Mechatronics	1,2,3
		2	CNC Metal Cutting	1,2,3
5	Ha Noi College of Mechatronics	1	Industrial Electrics	1,2,3
		2	Welding	1,2,3
		3	CNC Metal Cutting	1,2,3
		4	Operation and Repair of Electric Pump Station	1,2,3
6	Ha Noi Industrial Vocational College	1	Industrial Electrics	1,2,3
		2	Welding	1,2,3
		3	CNC Metal Cutting	1,2,3
		4	Operation and Repair of Refrigeration Equipment	1,2,3

7	College of Technology II (Ho Chi Minh City Vocational College of Technology)	1	Automotive Technology	1,2,3
		2	Welding	1,2,3
		3	CNC Metal Cutting	1,2,3
		4	Industrial Electrics	1,2,3
		5	Industrial Electronics	1,2,3
		6	Graphic Design	1,2,3
		7	Information Technology (UDPM)	1,2,3
		8	Industrial Sewing	1,2,3
		9	Masonry- Finishing	1,2,3
		10	Steel Reinforcement – Welding	1,2,3
		11	Formwork- Scaffolding	1,2,3
8	Viet Nam-Korea Vocational College of Technology	1	Welding	1,2,3
		2	Industrial Electrics	1,2,3
		3	Industrial Electronics	1,2,3
		4	CNC Metal Cutting	1,2,3
9	LILAMA – Technical & Technology College I	1	Mechanical Manufacturing	1,2,3
		2	Electrical Installation and Control Technology in Industry	1,2,3
		3	Welding	1,2,3
10	Long Bien Vocational College	1	Industrial Sewing	1,2,3
		2	Repair of Sewing Equipment	1,2,3
		3	Industrial Sewing production	1,2,3
11	Vinh Long University Of Technical Education	1	Industrial Electrics	1,2,3
		2	Automotive Technology	1,2,3
		3	CNC Metal Cutting	1,2,3
		4	Welding	1,2,3
		5	Information Technology (UDPM)	1,2,3
		6	Industrial Electronics	1,2,3
		7	Operation and Repair of Refrigeration Equipment	1,2,3
		8	Mechatronics	1,2,3
		9	Graphic Design	1,2,3

12	Ha Noi University of Industry	1	CNC Metal Cutting	1,2,3,4
		2	Welding	1,2,3,4
		3	Automotive Technology	1,2,3,4
		4	Graphic Design	1,2,3
		5	Information Technology (UDPM)	1,2,3
		6	Industrial Electronics	1,2,3
		7	Operation and Repair of Refrigeration Equipment	1,2,3
		8	Industrial sewing	1,2,3
		9	Industrial Electronics	1,2,3
13	Vinh University of Technical Education	1	Industrial Electronics	1,2,3
		2	Automotive Technology	1,2,3
		3	CNC Metal Cutting	1,2,3
		4	Welding	1,2,3
		5	Information Technology (UDPM)	1,2,3
		6	Industrial Electronics	1,2,3
		7	Mechanical Equipment Manufacturing	1,2,3
		8	Computer Network Administration	1,2,3
14	Nam Dinh University of Technical Education	1	Industrial Electronics	1,2,3,4
		2	Automotive Technology	1,2,3,4
		3	CNC Metal Cutting	1,2,3,4
		4	Welding	1,2,3,4
		5	Operation and Repair of Refrigeration Equipment	1,2,3,4
		6	Industrial Electronics	1,2,3,4
		7	Electrical Installation and Control Technology in Industry	1,2,3,4
		8	Computer Programming	1,2,3,4
		9	Computer Network Administration	1,2,3,4
		10	Graphic Design	1,2,3,4

15	College of Engineering and Technology	1	Industrial Electrics	1,2,3
		2	Automotive Technology	1,2,3
		3	CNC Metal Cutting	1,2,3
		4	Industrial Electronics	1,2,3
		5	Information Technology (UDPM)	1,2,3
16	Vinh Phuc Vocational College (Vinh Phuc Viet Nam-German Vocational College)	1	CNC Metal Cutting	1,2,3
		2	Welding	1,2,3
		3	Industrial Electrics	1,2,3
17	Vocational College No. 2- Ministry of Defence	1	Industrial Electrics	1,2,3
		2	Welding	1,2,3
		3	Automotive Technology	1,2,3
18	National College of Transportation 2	1	Industrial Electrics	1,2,3
		2	Welding	1,2,3
		3	Automotive Technology	1,2,3
		4	CNC Metal Cutting	1,2,3
19	Chu Lai - Truong Hai Vocational College	1	Automotive Technology	1,2,3
		2	CNC Metal Cutting	1,2,3
		3	Welding	1,2,3
20	Son La College of Technology	1	Welding	1,2,3
		2	Automotive Technology	1,2,3
		3	Industrial Electrics	1,2,3
21	Da Nang Vocational College	1	Automotive technology	1,2,3
		2	Mechatronics	1,2,3
		3	Industrial Electrics	1,2,3
		4	Industrial Sewing	1,2,3
		5	Electrical Installation and Control Technology in Industry	1,2,3
		6	Computer Network Administration	1,2,3

22	Vocational College No. 5- Ministry of Defence	1	Automotive Technology	1,2,3
		2	Welding	1,2,3
23	Kien Giang Vocational College	1	Industrial Electrics	1,2,3
		2	CNC Metal Cutting	1,2,3
		3	Metal Cutting- Turning	1,2,3
24	Nguyen Tat Thanh University	1	Industrial Sewing	1,2,3
		2	Industrial Electrics	1,2,3
		3	Industrial Electronics	1,2,3
		4	Information Technology (UDPM)	1,2,3
25	Tuyen Quang College of Engineering and Technology	1	Welding	1,2,3
		2	Industrial Electrics	1,2,3
		3	Automotive Technology	1,2,3
26	Vocational College No. 1-Ministry of Defence	1	Welding	1,2,3
		2	Industrial Electrics	1,2,3
		3	Automotive Technology	1,2,3
		4	CNC Metal Cutting	1,2,3
27	Vocational College No. 3-Ministry of Defence	1	Mechatronics	1,2,3
		2	Industrial Electronics	1,2,3
		3	Automotive Technology	1,2,3
		4	Industrial Electrics	1,2,3
		5	Operation and Repair of Refrigeration Equipment	1,2,3
28	Ho Chi Minh City College of Civil Construction 2	1	Masonry- Finishing	1,2,3
		2	Steel Reinforcement- Welding	1,2,3
		3	Formwork- Scaffolding	1,2,3
		4	Concrete	1,2,3
		5	Water supply	1,2,3
		6	Drainage	1,2,3
		7	Installation of Water Pipes	1,2,3

29	Dak Lak Vocational Colleges	1	Automotive Technology	1,2,3
		2	Welding	1,2,3
		3	CNC Metal Cutting	1,2,3
		4	Industrial electrics	1,2,3
30	Dung Quat College of Engineering and Technology	1	Industrial Electrics	1,2,3
		2	Automotive Technology	1,2,3
		3	Welding	1,2,3
31	South College of Technology and Agro-Forestry	1	Rubber Production	1,2,3
		2	Forestry culture	1,2,3
		3	Planting and Tending Rubber Trees	1,2,3
		4	Planting and Tending Coffee Trees	1,2,3
		5	Fine Art Carpentry	1,2,3
		6	Civil Woodworks	1,2,3
		7	Rural Electro- Mechanical Engineering	1,2,3
32	Da Lat Vocational College	1	Automotive Technology	1,2,3
		2	Industrial Electrics	1,2,3
33	Marine College No 2	1	CNC Metal Cutting	1,2,3
34	Vocational College of Mechanics and Irrigation	1	CNC Metal Cutting	1,2,3
		2	Automotive Technology	1,2,3
		3	Industrial Electrics	1,2,3
35	South Agriculture College	1	Plant Protection	1,2,3
		2	Veterinary	1,2,3
36	Thu Duc College of Technology	1	Metal Cutting (Universal Milling)	1,2,3
		2	Metal cutting (Universal Lathe)	1,2,3
		3	Mechatronics	1,2,3
		4	Automotive Technology	1,2,3
		5	Industrial Electrics	1,2,3
		6	Welding	1,2,3
		7	Graphic Design	1,2,3

37	Ho Chi Minh City University of Technical Education	1	CNC Metal Cutting	1,2,3
		2	Automotive Technology	1,2,3
		3	Industrial Electrics	1,2,3
		4	Industrial Electronics	1,2,3
38	Nha Trang College of Technology	1	Industrial Electrics	1,2,3
		2	Automotive Technology	1,2,3
39	Ho Chi Minh City Vocational College	1	Metal Cutting (Universal Milling)	1,2,3
		2	Information Technology (UDPM)	1,2,3
		3	CNC Metal Cutting	1,2,3
		4	Automotive Technology	1,2,3
		5	Industrial Electrics	1,2,3
		6	Industrial Electronics	1,2,3
		7	Welding	1,2,3
		8	Electrical Installation and Control Technology in Industry	1,2,3
		9	Computer Programming	1,2,3
		10	Graphic Design	1,2,3

Appendix 3: List of occupations licensed for NOS assessment

No	Occupation	No	Occupation
1	Underground Mining Techniques	22	Electrical Installation and Control Technology in Industry
2	Mining Construction Techniques	23	Techniques for Installation of conduits and pipework
3	Underground Electro-Mechanical Engineering	24	Forestry culture
4	Coal Quality and Quantify Inspection	25	Installation of Water Pipes
5	Welding	26	Computer Programming
6	Plant Protection	27	Garment Manufacturing
7	Concrete works	28	Civil Woodworks
8	Water supply	29	Fine Art Carpentry
9	Metal Cutting (Universal Milling)	30	Masonry- Finishing
10	Metal cutting (Universal Lathe)	31	Computer Programming
11	CNC Metal Cutting	32	Garment Manufacturing Production
12	Rubber Production	33	Repair of Sewing Equipment
13	Mechanical Equipment Manufacturing	34	Repair of Mining Equipment
14	Rural Electro- Mechanical Engineering	35	Graphic Design
15	Mechatronics	36	Drainage
16	Automotive Technology	37	Veterinary
17	Information Technology (UDPM)	38	Planting and Tending Coffee Trees
18	Formwork- Scaffolding	39	Planting and Tending Rubber Trees
19	Steel Reinforcement- Welding	40	Operation and Repair of Electric Pump Stations
20	Industrial Electrics	41	Operation and Repair of Refrigeration Equipment
21	Industrial Electronics		

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