ROLES OF PRIVATE UNIVERSITIES AS NON-PROFIT ORGANIZATIONS IN VIETNAM

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ABSTRACT

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The on-going renovation policy has released Vietnam from the social-economic regime since the early 1980s and created progress in economy, culture, society, and higher education. The development of private higher education in Vietnam has recently contributed the development of human resources on higher education level, thus meeting economic and social requirements, and creating good opportunities for citizens of various backgrounds who have desire and ability to pursue their studies in the field of higher education. However, Vietnam’s private higher education sector are facing difficulties chiefly in the area of training capacity and quality as well as the management and its development within the whole system. The situation becomes more intense in the industrialization and modernization trends. It is therefore necessary for private higher education sector to adjust to become more suitable and capable to meet the needs created by the development of the country and to step forward in the increasing trend of globalization as Vietnam enters the twenty-first century.

keywords: higher education, private sector, non-profit organization, Vietnam
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ACRONYMS and ABBREVIATIONS

AAETL  The Association a l’aide des étudiants de Thang Long
AEFA  Association Europe France Asie
ASCT  Association pour le Soutien du Centre Universaire Thang Long
CCFD  Comite Catholique Contre la Faim et Pour le Development
CPV  Communist Party of Vietnam
DDU  Dong Do University
DTU  Duy Tan University
FPO  For-Profit Organization
GCOP  The Vietnam’s Government Committee for Organization and Personnel
GVA  The German-Vietnamese Association
HCMC  Ho Chi Minh City
HCMCOU  Ho Chi Minh City Open University
HCMC FLU  Ho Chi Minh City Federation of Labor Unions
HOU  Hanoi Open University
HPU  Hai Phong University
HUFLIT  University of Foreign Languages and Informatics
HUTECH  University of Technology
HVU  Hung Vuong University
ISGP  Institut Supérieur de Gestion Paris
MOET  Ministry of Education and Training
NGO  Non-governmental Organization
NPO  Non-Profit Organisation
OECD  Organization for Economic Cooperation and Development
PDU  Phuong Dong University
TDTU  Ton Duc Thang University
TLU  Thang Long University
USSR  Union of Soviet Socialist Republics
VFLF  Vietnam Fatherland Front
VGLF  Vietnam General Labor Federation
VHU  Van Hien University
VLU  Van Lang University
VRC  Vietnam Red Cross
VWU  Vietnam Women Union
VYU  Vietnam Youth Union
FOREWORD

The last decade of the 20th century saw significant changes in the global environment that, in one way or another, bear heavily on the role, functions, shape, and mode of operation of tertiary education systems all over the world, including those in developing and transition countries (World Bank 2002). The first decade of the 21st century is, on the one hand, experiencing the increasing shortage of public funding, demonstration of competence, increasing demands for labor force with skills and qualifications applicable in the workplace. On the other hand, the maintenance of high quality and standards has become a major concern for higher education institutions, and governments. Particularly important is the need to demonstrate appropriate academic standards in rapidly expanding and more diverse higher education systems, growing demands from employers and the professions for improved quality of provision, and increasing pressures for increased public accountability. Since the time of the implementation of Doi Moi Policy (1986 onwards) moving forward a market-oriented economy, Vietnam’s higher education system has been deeply affected. The idea of a “market” for higher education has been used. The traditional role of state as the sole provider of funding for higher education institutions is shared by the private higher education institutions. People have seen progress in consolidating and developing the higher education realm, namely the number of students attending higher education has been quickly increasing and training qualities in some fields have been improved. These influences, however, experienced a continual downgrading in terms of training quality, efficiency, and material resources, the limitation of quality and motivation of academic staff, and shortage of management/administration resources and organizational capacity. How does the government respond to this situation? What is the role of private institutions? Are there any opportunities for them? And what challenges do they encounter in the modernization and industrialization trends?
CHAPTER 1: INTRODUCTION

1.1. Brief History of Vietnam’s Higher Education System

Vietnam is a country with a long history of 4,000 years of civilization and rich in cultures and traditions. With its long tradition of higher education, Vietnam is recorded to have the oldest institution of higher education in Southeast Asia (Pham & Gerald 2002, 217). In 1076, the first Royal College (Van Mieu Quoc Tu Giam) was built in the Temple of Literature in Thang Long Capital\(^1\) during the Ly dynasty\(^2\) (1009-1225). This first and unique public university provided moral education and training to the sons of dignitaries (Sloper & Le 1995). It was also a cultural and educational centre where many famous cultural specialists and educationalists as well as pre-eminent politicians and military officers were trained; contributing to the formation and the development of the nation’s intellectual elite. In 1253 the Tran dynasty\(^3\) (1225-1400) established the National Institute of Learning in the Temple of Literature where princes and excellent commoners were selected to be trained as mandarins (Pham M H 1995, 43). So the Royal College and the National Institute of Learning co-existed as first public schools. All the teaching materials were written in \textit{Han}, Chinese classical characters known as \textit{chu nho}. Later in the thirteenth century a Vietnamese writing system known as \textit{chu nom} or simply \textit{nom}, was developed.

During the period of French colonialism, there were numerous changes among which was the appearance of writing system called \textit{quoc ngu}. A notable French Jesuit – Alexandre de Rhodes (1591-1660) devised \textit{quoc ngu}, the Roman script phonetic alphabet, which forms Vietnamese today. After 1917, Chinese script was abolished. The French style of education was established. The French colonist established the Indochina University, including College of Medicine and Pharmacy (1902), Teacher Training College (1917), College of Veterinary Medicine (1918), Colleges of Law and Administration (1918), College of Agriculture and Forestry (1918), College of Civil Engineering (1918), College of Literature (1923), College of Experimental Sciences (1929), and College of Fine Arts and Architecture (1924) (ibid, 47). These colleges functioned to train skilled workers or to prepare students for professional careers, for example, technicians. Though the number of students admitted was very limited, the
Indochina University laid the groundwork for the establishment of different types of universities and colleges with scientific and technological programs and training levels similar to those in French colleges and universities. During the period of 1940-1945, the higher education training scale of the Indochina University remained limited. Out of the population of 22,150,000, only 1,111 students were admitted to colleges for the academic year 1943/44; of which over half studied at the law school. Meanwhile, the Scientific College served 175 students and the Civil Engineering College accommodated only 84 students (Pham & Gerald 2002).

The resistance war against the French Colonialism (1949-1954) affected the philosophy of the education. During this period, the country’s political system was divided into two separate regimes: the French-ruled regime under which the educational system remained the same as before and the liberated partition of which the educational system was directed to serve the resistance against foreign invaders and towards national construction. Since the 1950s, the notion of the comprehensive improvement in the people’s quality of life was overwhelming. The objectives of the education changed as well. Education was no longer reserved to the elite groups. Instead, it spread its benefits to a larger group of people. Its purpose was, thus, to produce competent citizens for the country in future, aiming at:

- Enhancing the comprehensive quality of life of the whole population;
- Training manpower for the need of defending the country;
- Securing true independence;
- Establishing a republic with a democratic regime.

In order to pursue these goals, Vietnamese government invested more in the educational development. The prominent achievements were the following establishments: College of Foreign Languages - Chinese and English (1947), College of Civil Engineering (1947), College of Law (1948), College of Fine Arts (1949), and lately College of Medicine and Pharmacy in the early 1950s.

When Vietnam was divided into two parts - the north and the south (1954-1975), there were two separate higher education systems. The system in the north was established with the assistance of the former Union of Soviet Socialist Republics (USSR) and reflected Soviet influences. Secondary professional education and vocational education developed considerably to serve the recovery of the economy. The number of the former type of education reached over 100 in 1965, and then 200 by 1975 (Pham M H 1995, 54). The number of the latter increased from 50 in 1965 to 200 by 1975.
Especially higher education level developed vigorously with the creation of universities such as Hanoi University, Hanoi Polytechnic University, Teacher Training College of Hanoi, and other special universities attached to socio-economic fields such as agriculture, construction, communication and economics. In 1975, there were 30 universities in North Vietnam with 8,400 professors and teachers and 56,000 students (UNESCO, 1998). In the south, the system was based on the earlier French colonial model, with later strong U.S. influence. In the academic year 1974/75, there were four public universities located in Saigon, Hue, Can Tho, and Thu Duc, and three public community colleges in My Tho, Nha Trang, and Da Nang; there were eleven private tertiary education institutions in different locations (Pham M H 1995, 55).

After the liberation and independence in 1975, Vietnam’s higher education system was unified. From 1975 to 1990, the system of education in Vietnam developed a united educational system throughout the country with a network of universities based on the education model of the former USSR. From 1990 onwards, Vietnam university system has made fundamental changes with the establishment of new universities and a network of local universities and colleges. The number of secondary professional schools was 270 and of vocational schools was 242 (1992).

In adopting policies oriented towards a more diverse market economy late in 1986, a national educational system carried out the adjustment including two major factors: (1) promulgation of a new list of areas and training for professions and trade; and (2) implementation of a new first degree structure in higher education – the first level of general study of two years’ length, and the second level of specialized study of two or more than two year’s length. Diversification of education and training forms consisted of short-term courses, open learning, distance education, and private educational institutions.

1.2. Research Questions

The aim of this thesis is to analyze the role of Vietnam’s private higher education in market-oriented economy under the renovation policy and the shifting to the industrialization and modernization. My main research question is:

*What is the role of private universities in the market-oriented economy under the renovation policy?*
Linked to this line of inquiry are four sub-questions which will be successively discussed:

1. **To what extent do private universities satisfy the social needs of the market-oriented economy?**

   In order to analyze the role of private universities under the renovation policy, I will first look into the economic context within the country, then examine how the economy affects the development of higher education. My analysis is based on the theoretical framework of private higher education. Based on the collected data on the development so far, I will figure out to what extent the private higher education sector satisfies the social needs of the market-oriented economy under the renovation policy. The second sub-question is:

2. **What are the challenges and opportunities of private universities on way to modernization and industrialization?**

   In order to fully answer this question, the realities including the advantages and difficulties of the development situation of private universities within the country at large are considered. Additionally, the consideration of the economic strategy and the social policy will be helpful in order to analyze this perspective.

3. **How do private universities respond?**

4. **How has the government reacted?**

   Because of crucial financial shortage, increasing demands for post-secondary education and poor quality of teaching and training within these private institutions, the question how private universities respond is not only the problem for the institutions themselves but also a challenging issue for the government. The next question in my research is how the government reacts or what it does in order to address the above problems.

   My intent in conducting the research is embedded in the collection of data, analysis of data and the discussion of the issues around the topic. My targeted readers would include the private institutions themselves, policy-makers and the government. By basing my research on the framework and analyzing the realities of the private higher education development, I will try to picture Vietnam’s private higher education sector from a critical viewpoint. The framework, collected data, the theories, and the literature review are analyzed to give the readers explicit understanding of the present development and the future of private higher education sector in Vietnam. Although the significance of the study from the theoretical perspective is an intellectual odyssey for
me, the project’s potential contribution to fundamental issues might be more positive than negative.

1.3. Rationale of the Study

The study of the privatization of higher education is relevant in my country for several reasons. Dating back to the period after the liberation and independence in 1975, the country fell into a socio-economic crisis. Under the economic faltering, its inflation became serious, life became extremely hard; therefore, education became stagnant. Since 1986, under the renovation policy, Vietnam’s economy has been revitalized through the introduction of market mechanisms and relating incentives and started to experience consistent and solid economic growth. Reflection of the development of the national economy is the increase in demand for human resources. Under this renovation policy, higher education is supposed to fulfill these missions (UNESCO 1998):

• To ensure labor force for governmental and state-run economic sectors and satisfy various demands of citizens desiring to obtain higher education degrees;
• To complete networks of universities. To open private universities;
• To diversify financial resources such as tuition fees, donations from international organization, earnings from scientific research, production of goods and other commercial activities;
• To reform methods of teaching and facilitate the supervision and assessment of the process of higher education;
• To implement the change of the system of training in accordance with the annual system combined with a course and credit system.

Obviously, the higher education system has adopted some important renovation policies. At present, the higher education system is undergoing a period of important changes of which the introduction of privatization in higher education is the most noticeable, and this is also one of reasons for my study - the privatization of higher education under the renovation policy of economy in Vietnam. However, the privatization of higher education, to great extent, links with other missions as mentioned above. In other words, these missions are correlated to each other; therefore, one might enforce or weaken other factors in the whole system.

I am interested in this topic because I believe that privatization is a two-sided phenomenon which has both advantages and disadvantages. I will examine the
opportunities and challenges of private universities within the country and then go further in looking at way the private institutions respond and at the actions the government has taken. Surely, there are inevitable limitations in my analysis. First, Vietnam is a Communist, not a democratic, country; consequently, the access to official documents is often restricted from those who are not line members or in charge. Due to this limitation, my work will not be as ideal and critical as it is expected. Second, most of the related articles are very descriptive in nature and it seems that the authors tend to talk positively about everything. Moreover, the information or database is not instantly updated or publicly displayed. Even when information is available on websites, its validity and reliability should be questioned. The verification of my data is thus the main limitation, but I have tried my best to go as deep as possible and to look into the issue from a critical and practical point of view.

1.4. Methodology

It is worth carefully considering what kind of methods should be used to collect data and clearly constructing the research design applied to analyze the collected data. Throughout my study, the analysis starts after some of the data have been collected and the implications of that analysis then shape the next steps in the data collection process. Chapter 1 is the introduction of the evolution of Vietnam’s higher education system. Chapter 2 is about theories of non-profit organizations and theoretical framework upon which analyses of the following chapters are based. Literature review presented in chapter 3 is very helpful in my reflection of Vietnamese private institutions. Chapter 4 mainly emphasizes Vietnam’s private higher education: background of the emergence, its development, its achievements, its problems, and analysis of its role. Chapter 5 will look into the private higher education’s contribution to the modernization and industrialization trends of the country. And final chapter is the conclusion.

Research methods can be classified in various ways. One of the most common distinctions is between quantitative and qualitative methods. The motivation for qualitative method is opposed to that of quantitative method. Qualitative method is designed to help researchers understand people and the social and cultural contexts within which they live. Kaplan and Maxwell (1994) argue that the goal of understanding of a phenomenon from viewpoints of participants and its particular social and institutional context is largely lost when textual data is quantified. Qualitative research
involves the use of qualitative data such as interviews, documents and participant observations, to understand and explain social phenomena. The qualitative research approach demands that the world be approached with the assumption that nothing is trivial, that everything has the potential of being a clue which might unlock a more comprehensive understanding of what is being studied (Bogdan & Biklen 1982, 28). There are various qualitative research methods. A research method is a strategy of inquiry which moves from the underlying philosophical assumptions to research design and data collection. Specific research methods imply different skills, assumptions, and research practices. My research method may be attributed as “descriptive” and “exploratory”. I mean the method will help me build rich descriptions of complex and diverse circumstances that have not been, so far, radically explored. I do not search out data or evidence to prove or disprove hypotheses; rather the conclusion emerges from many disparate pieces of collected evidence. I am constructing a picture which takes shape as I collect and examine the parts.

The approach used in my research is basically realistic-genetic with the aim of examining the role of the private universities in market-oriented economy under the renovation policy and the shifting to the industrialization and modernization era. However, theories of non-profit organizations and demand and supply theories emerge as part of the research process, evolving from the data as it is collected. The process of data analysis is carried out by examining the framework, and the collected data that surrounds the topic and finally to seek out the concluding remarks. It is like a funnel: things are open at the beginning, and more directed and specific at the bottom (Bogdan & Biklen 1982, 29). In the course of this qualitative study, specific attention will be given to the exploratory, descriptive and strategic perspectives of Vietnam’s private universities in its present context of the economy. The literature review serves many purposes for the research (Marshall & Rossman 1999, 52). As in my research, it supports the importance of the study’s focus and guides the development of my explanations during data collection and analysis. I try to use the literature review as a source of provision of theoretical constructs, categories, and characteristics that may be applied to organize the data and discover the connections between theories and real-world phenomena in Vietnam.

I will try to apply the valid and reliable criteria to the research data and the conclusion. I will try to make use of the most relevant official documents and give the whole picture of private universities in terms of development, roles, problems,
opportunities, and government’s responses as well. The conclusion will be drawn from the document analysis. The comparison in my study may help me in seeking general explanations and relevance. I do not imply that comparison will be my main process in analyzing the data. The qualitative researcher’s challenge is to demonstrate that this personal interest will not bias the study (Marshall & Rossman 1999, 28). From this point of view, I will try not to show any bias in my study.
CHAPTER 2: THEORIES AND THEORETICAL FRAMEWORK

2.1. The Theories of Non-Profit Organizations

Each private sector constitutes what first appears to be an almost arbitrary section of its respective national system of higher education (Geiger 1986, 9); therefore, more helpful is the theoretical consideration concerning voluntary non-profit sectors. In this part, I shall emphasize the organizations considered as “true” non-profits. First of all, it is necessary to have a clear definition of what is meant by “non-profit” organization. A non-profit organization (NPO) is, in a sense, an organization that is barred from distributing its net earning to individuals who exercise control over it, such as members, officers, directors, or trustees (Hansmann 1987, 28). It should be noted that NPOs are not barred from earning profits; rather, they must simply devote any surplus to financing future services or distribute it to non-controlling persons. NPO can be defined as a private organization that is prohibited from distributing a monetary residual (James & Rose-Ackerman 1986, cited in Holtta 1990). Theories of the NPOs are then essentially theories of the way in which the presence of a non-distribution constraint affect their roles and behavior. In accordance with these notions, Holtta (1990) argues that most private universities and colleges qualify as NPOs. The only national systems with for-profit form of higher education institutions can be found in the Philippines and Thailand (Geiger 1986).

Hansmann (1987) categorizes NPOs into four types. Financially, those organizations whose incomes are donations will be referred as “donative” NPOs, organizations whose incomes derive primarily or exclusively from sales of goods or services will be regarded as “commercial” NPOs. In terms of control, organizations in which ultimate control is in the hands of the organization’s patrons will be called “mutual” NPOs; while “entrepreneurial” non-profits refer to those in which the board of directors is self-perpetuating. The intersections of these four distinctive categories are donative mutual, donative entrepreneurial, commercial mutual and commercial entrepreneurial (Figure 1).
I now move on to the theories of economic roles of NPOs. Rose-Ackerman (1986) analyzed the economics of private non-profit organizations and thus distinguished between four role models: a) models which concentrate on voluntary provision as a response to government failure; b) models which see nonprofits as a response to information asymmetries and transaction costs in the private for-profit marketplace; c) models of entrepreneurs and managers who view the non-profit firms as a way to further their goals; and d) models which emphasize the competitive interactions between non-profit organizations producing close substitutes.

In Rose-Ackerman’s book (1986, 4), Burton Weisbrod and Jeffrey Weiss did not model NPOs explicitly. Their theory concentrates on NPOs which provide collective goods and are financed by voluntary donations from people who were dissatisfied with the low levels of government activity. They say NPOs are merely conduits which efficiently convert gifts into services demanded by donors. Weisbrod (1974 & 1977, James 1987) suggests that NPOs serve as private producers of public goods. He, in the mean time, argues that governmental entities tend to provide public goods only at the level that satisfies the median voter; consequently, there will be some residual unsatisfied demand for public goods among those individuals whose taste for such goods is greater than the median (Hansmann 1987, 29). He also adds that NPOs arise to meet this residual demand by providing public goods in amounts supplemental to those provided by the government. Weisbrod’s theory shows that many NPOs provide services that carry the characters of public goods. Thus, this theory opens two controversial questions. First, do the services provided by NPOs appear to be private goods, not public ones? Second, why NPOs arise to fill an unsatisfied demand for public goods? In principle, Weisbrod’s theory implies that a world with both governmental and voluntary sectors will have
higher level of public services than one with only the governmental sector (Rose-Ackerman 1986, 5).

This second economic theory of the role of NPOs emphasizes the tasks which they are able to perform better than for-profit organizations (FPOs). Rose-Ackerman (1986, 5) believes that if the quality of output is difficult to measure, and if contracts for future delivery are difficult to enforce, NPOs may act as a signal assuring people that quality will not be sacrificed for private monetary gain. Hansmann (1980, 1987) indicates that NPOs of all types typically arise in situations, in which consumers feel unable to evaluate accurately the quantity and quality of the service a firm produces for them. In such circumstances, FPOs have both incentives and opportunities to take advantage of customers by providing less service for them than they were promised and have paid for. NPOs, in contrast, offer customers advantages since those who control the organizations are constrained in their ability to benefit personally from providing low-quality services and thus have less incentive to take advantage of their customers than do the managers of FPOs (Hansmann 1987, 29).

Easley and O’Hara (1986, Rose-Ackerman 1986:5) have different analysis from Hansmann’s. Based on the contract failure analysis, they argue that NPOs arise because of the failure of contractual arrangements in the for-profit sector\(^1\). They define a NPO as one which the managers receive a fixed reward. Giving this definition, they assume that NPOs have no incentive to distort information. They also postulate that since managers are indifferent between lying and telling the truth, they will always tell the truth. Therefore, customers believe that, in markets with asymmetric information, the information provided by NPOs is more credible than that provided by for-profit competitors. Their analysis suggests that NPOs can be optimal if there is asymmetric information in the production process. More important is that NPOs appear not as alternatives to FPOs, but rather as the optimal structure for production. This implies that NPOs are necessary for the efficient operation of the economic system (Easley & O’Hara 1986, 90).

Weisbrod and Schlesinger (1986, 10-147) directly address the question of whether FPOs are more likely to take advantage of the poor information of consumers than NPOs. They found out that under the conditions of substantial informational asymmetry, among these types of organizations – governmental organizations, church-affiliated NPOs, other NPOs, and proprietary organizations - the proprietary form of institution is
less “trustworthy” than other forms. In other words, other forms of institutions are less likely to take their informational advantages to the detriment of their consumers than the proprietary form. Their empirical tests indicate that FPOs seem to perform more poorly when quality is difficult for outsiders to observe. Indeed, it is not obvious that the contract failure theory implies that NPOs will exhibit a higher quality/price ratio than FPOs.

In principle, the contract failure theory is a theory of consumer expectations, not of actual performance (Hansmann 1987, 33). Additionally, Ben-Ner (1986) demonstrates that the problem with for-profit provision is not limited to managers’ incentives to misrepresent quality. First, since quality is a public good, profit-seeking organizations may produce too little of it, and production under the control of consumers may be superior. Second, FPOs may be unable to estimate individual demands for quality well enough. In that case, a monopolist may ration high-demand consumers by quantity rather than price (Rose-Ackerman 1986, 7). Arguably, NPOs may be established when direct consumer control of organizations enhances consumers’ welfare relative to control through market (Ben-Ner 1986, 95).

To sum up, NPOs arise in response to asymmetric information between producer and consumer; the incentive that profit-maximizing managers have to downgrade quality is allegedly removed by the non-profit constraint. Similarly, NPOs are considered more likely to use donations for the intended purpose, so people are more willing to make philanthropic contributions to NPOs, and this is seen as another raison d’être for their existence. Thus, NPOs develop and constitute an efficient contractual form, where trustworthiness is important because many small customers or donors do not have adequate information about output characteristics (James 1987, 397). In practice, students and their families have no way to accurately evaluate the quality of teaching. Private suppliers could sometimes be tempted to increase the quantity, even though this has an adverse effect on quality (Eicher & Chevaillier 2002, 72).

The first two models emphasize the demand side and examine the reasons why individuals may prefer to deal with NPOs. The third model will be developed by looking into the following questions: (1) What motivates people to become non-profit entrepreneurs?; (2) Do these non-profit entrepreneurs behave differently from those in the for-profit sector?; (3) How do individuals who control NPOs act to further their own
ends?; and (4) Why do some governmental entities and for-profits change to non-profit corporations?

Young (1986, 161-185) has carried out a series of detailed case studies of non-profit entrepreneurs which show the wide range of their motivations and backgrounds. Some are committed ideologists; others seem to be budget maxi misers. He characterizes entrepreneurs as artists, professionals, believers, searchers, independents, conservers, power seekers, controllers, players, and income seekers. He then argues that people with different entrepreneurial traits will be attracted to different types of firms and industries. The motivation of the entrepreneurship is closely related to whether the organization can, in fact, be trusted (Young 1986, 11).

In contrast to the case of FPOs, there is obviously no reason to believe that profit maximization is a reasonable goal to attribute to the NPOs (Hansmann 1987, 37). Most commonly, NPOs have instead been assumed to maximize the quality and quantity of the service they produce. Presumably, budget maximization might be chosen as a goal as mentioned by Young (1986) because it enhances the apparent importance of the firm’s managers, or because it provides the preferred trade-off between quantity and quality maximization. Further considerations bearing the choice of non-profit versus governmental organization are offered by Nelson and Krashinsky (1973, Hansmann 1980, 1987). On the one hand, governmental organizations have the advantage of a more reliable access to capital and to operating revenues (especially in the case of public goods). They are usually also linked by an organization chain of command to the central executive of the government in order to provide the government with the essential degree of information and control. This chain of command may serve, on the one hand, as an additional mechanism for ensuring accountability in situations of contract failure. On the other hand, governmental organizations are imposed a degree of bureaucratization that may make them more costly and less flexible than their non-profit counterparts. Arguably, private non-profit organizations have the corresponding advantage that permits the development on their own and thus promises greater competition and responsiveness to the market forces (Hansmann 1987, 35).

In the last model, NPOs are a diverse group of firms producing similar outputs on the basis of different ideological principles (Rose-Ackerman 1986, 1-12). The ideological production differentiation is central. The firms may seem to be producing close substitutes (day care, education, health services, counseling, etc.), but because of
the difference in philosophy, particular donors and consumers will be enthusiastic about one provider and wish to drive another out of business. For example, a conservative Christian who believes in “creationism” may eagerly support private schools which refuse to teach evolution and hope to close down school run by the Ethical Culture Society. Those who control these charitable organizations are modeled as pragmatic ideologists with an interest in the survival of their firms. They have the most preferred philosophical position, but they may shift the organization’s ideological perspective if this is required in order to obtain funds. Therefore, if there are fixed costs to setting up an organization, then not all donors and customers will be able to find exactly the mixture of service type and ideology they prefer. People willing to sacrifice personal financial rewards in order to be non-profit entrepreneurs have some freedom to fulfill their own ideological preferences.

In principle, the competition for scare donations, government grants, and customers constrains the choices of entrepreneurs. Similarly, the presence of for-profit competitors can modify the behavior of NPOs. I wonder whether it would be desirable in an ordinary market if no entry barriers exist and if there are no fixed costs in setting up an organization and no shortage of non-profit entrepreneurs. Rose-Ackerman (1986, 12) argues that these conditions can destroy the viability of the charitable sector. Firms compete for charitable donations by spending money on advertising brochures and new entrants compete away any surplus available for providing services to the needy. Competition is genuinely “destructive” under these conditions.

2.2. Demand and Supply Theories of NPOs

Weisbrod (1986) suggests that a NPO serves as a private producer of public good (cited in Holtta 1990). He argues that governmental agencies tend to provide a public good only at the level that satisfies the median voter. Consequently there exists residual unsatisfied excess demand among individuals whose taste preferences for that goods are greater than those of the median voter. Private production may arise to satisfy this excess demand. James (1987, 400) suggests two sets of demand-sided variables: excess demand and differentiated demand. These demand-side explanations view the private sector as a market response to a situation wherein large groups of people are dissatisfied with the amount or type of government production.
Demand Theories

The first demand theory is excess demand. Weisbrod (1977, 51-77) has shown that, with a given tax structure, if the government satisfies the median voter, some people will have a “leftover” demand which they will attempt to satisfy privately. Although this is difficult for pure collective goods such as national defense, it is feasible for quasi-public goods\(^2\) such as education, health care which can be parcelled out and from which people can be excluded if they do not pay the price. Also, if private benefits do not overstate social benefits, the development of a private sector adds to efficiency in this case (James 1987, 401). James argues that the higher the costs of government production relative to private, the smaller the level of public provision chosen by the median voter, leaving the greater excess demand for the private sector to fulfill. The median voter theory may not work so neatly if different people have different degrees of political power. For instance, if certain groups do not vote, are underrepresented in the legislature, have less economic resources to invest in influencing decision, or if police and military power rather than free elections are the basis of the government; then, the outcome will depend on the references of the ruling coalition, which may not include the median voter or represent the majority will.

The excess-demand theory may be applicable to education in developing countries, where small-scale production and subsistence agriculture, industries with a low return to education, still predominate, but contrast sharply with the growing urban areas where the private return is high. The difficulties in raising tax revenues from rural areas and the reluctance of the urban upper class to subsidize a large public sector from which others will benefit imply a coalition of low demanders and high taxpayers that effectively restricts the supply of government schools. At the university level, high taxpayers may be willing to pay a disproportionate amount of the public bill if they also get disproportionate access (ibid). Shortly, the demand theory for private university is not determined by the level of the development of the country; rather it is a multi-dimension issue, depending on the governmental policies and socio-economic situations. It is worthwhile to denote that a shift from private to public financing does not necessarily imply a shift from private to public production. The latter occurred earlier in England and Sweden but has not occurred in Japan and it does not appear to an inevitable consequence of development (ibid, 402).
The second theory is differentiated demand. James (1987, 402) denotes that a second demand-side theory views private non-profit production of quasi-public goods as a response to differentiated tastes about the *kind* of services to be consumed (rather than the *quantity* of differentiated tastes) in situations where that differentiation is not accommodated by government production. The private sector would then grow larger in the following cases: (1) if people’s preferences with respect to product variety are more heterogeneous and more intense, owing to deep-seated cultural (religious, linguistic, ethnic) differences; (2) if this diversity is geographically dispersed so it cannot be accommodated by local government production; (3) if government is constrained to choose a relatively uniform product; and (4) the dominant cultural group is not determined to impose its preferences on others. Hence, private production is a permissible way out. The differentiated-demand theory appears to explain the development of private educational sector in modern industrial societies.

Another argument is that differentiated preferences about quality may also lead to the development of a private alternative. Obviously, the elite private schools play an important role in the economic and social structures of individual countries. They are, however, small in number, so quality considerations do not actually explain the existence of large private sectors. Moreover, it is unlikely that large groups of people holding preferences about quality are powerful enough to induce them to pay for a private school when a free or low-cost public school is available. Additionally, the public system can and has been structured in many countries to accommodate differentiated preferences about quality. In fact, some private schools may accommodate tastes for higher quality.

Economic models usually assume that local governments provide quasi-public goods; and that people will move to a geographic community offering the kinds of services they prefer; and that those with similar tastes will therefore congregate together to get the product variety of their choice. The hypothesis proposed here is that barriers to mobility often stop this process at a point where considerable heterogeneity still exists within a local political unit (James 1987, 403). In effect, economies and political constraints may, to some extent, prevent the local government from satisfying this diversity. In such circumstances, non-profit institutions may be considered as a “community of interest” which may lead to an alternative which responds to the diversified tastes across geographic communities. The characteristics of diversity in choices are, potentially, the great advantage for the privatization trend though the advantage is not always realized. More generally, it is expected that differentiated
demand rather than excess demand is the moving force behind large private sectors in modern industrial societies especially at primary and secondary levels. The desire for linguistic ability and religious identification is great on primary level, and the quality considerations as a motivation for choosing private schools are likely to be large on the secondary level.

**Supply Theories**

Demand theories explaining the existence and socio-economic role of private universities leave two questions unanswered: (1) Why private sectors are large in certain countries whereas in others - at the corresponding development level – they do not exist or they are very small with quite different roles; and (2) Why higher education is not provided on a for-profit basis, although its private component and private benefits are remarkable (Holtta 1990). Three common rationales of supply-side explanations are now discussed.

In a market enterprise, the founders are assumed to be an anonymous group of people seeking profits and willing to start a new business whenever a profitable opportunity presents itself (James 1987). Only in very exceptional situation of huge excess-demand is this situation true with respect to higher education (Holtta 1990). As James (1987, 404) denotes that in situations where education is characterized by huge excess demand, we do indeed find many ordinary profit-maximizing private schools as is the case in the Philippines and parts of South America (Geiger 1986). Although called non-profit, these organizations are, allegedly, really profit-making entities. The illegal ways of distributing profits are only rarely brought to light. The legal way is more interesting but very difficult to detect or prove. For example, the founder may become the headmaster or director and be paid a salary beyond the market wage – that is beyond what he could earn elsewhere; he is, in fact, receiving monetary profits. Even more valuable disguised profit distribution is taken in non-monetary forms and hence non-taxable such as free houses, cars (James 1987).

The intangible forms of benefits such as prestige, status and political power may be the founders’ concerns. For example, they may be interested in perpetuating a family name on a school. Another intangible benefit in many countries such as Japan and India is the political support they gain in local community (ibid). For instance, the community
may be indebted to an individual who starts a NPO there; he gains a potential cadre of worker and consumer supporters.

As previously discussed, the observation that religious groups are the major founders of private schools and other NPOs has important implications for non-profit theory. Ideologically, their objective was not to maximize profits but to maximize religious faith or religious adherents and schools are one of the most important institutions of taste formation and socialization. The non-profit form was chosen because the main objective was often not compatible with profit-maximizing counterparts. For instance, religious schools set up to keep members within the fold and/or to attract new believers may have to charge the price below the profit-maximizing level in order to compete with public schools and entice the largest numbers in. Typically, their cost of production is lower than those of the government schools. Obviously, this supply-side model suggests that the private school sector will be more important in countries with strong, independent, religious organizations competing for clients.

It is more common that private schools are established as NPOs. Why do the founders choose the non-profit form? Will the supply of non-profit entrepreneurship automatically respond to demand? The prominent motivation when observing the choice between non-profit form and for-profit form is ideology. It is very likely that most founders of private schools/colleges and even universities are not randomly grouped individuals seeking personal gain but rather ideological organizations such as political groups, religious partisans, and socialist labor unions (James 1987). The contract failure theory (Hansmann 1987) states that a NPO typically arises in a situation in which consumers feel unable to evaluate accurately the quantity or quality of the service the firm produces for them. In such circumstances a FPO would have both incentives and opportunities to take advantage of customers by producing less service than what was promised and have paid for. In most cases, students and their parents have little more information available than the reputation of the institutions in their assessment of the quality of the products they are buying. The non-profit status is thus a guarantee that the tuition moneys are used for educational purposes. Additionally, for governments subsidizing private universities, the accountability for tax payers is more easily arranged in a non-profit case (Holtta 1990).

2.3. Theoretical Framework
The term of NPO is still new in Vietnam. It was officially first used in law in 1992. Although there is no official definition yet of what a NPO is, it is now used in a number of regulations (Nguyen & Dinh 1999, 335). James (1987, 398) denotes that NPOs combine three important attributes:

- They are legally and structurally non-profit;
- They provide “socially useful” services;
- They are philanthropies, deriving a large part of their revenues from (tax-deductible) contributions.

According to the country information (2005), Vietnam’s Government Committee for Organization and Personnel (GCOP) defines NPOs as voluntary not-for-profit organizations of Vietnamese people or groups, uniting people/organizations of the same interest or professions sharing knowledge, resources and working on regular basis for a certain purpose legally accepted. NPOs, therefore, should have the following characteristics:

- A formal organizational structure;
- Formed voluntarily by citizens or groups of the same profession or interest;
- Not belonging to the government system;
- Operating on a regular basis;
- Not for profit motive;
- Involvement in activities accepted by the laws.

The establishment and operation of NPOs are based on three principles (Nguyen & Dinh 1999, 361):

- **Voluntarism.** The establishment, participation and withdrawal of their members are strictly voluntary
- **Self-management.** Their members self-manage all of their activities
- **Self-accounting.** All activities of NPOs are funded independently

Following the Decree No. 90/CP, dated November 24, 1993 – Vietnamese government addressed the structure of national education and committed to the concept that all citizens should have the right to study and pursue higher education. Three important hidden themes have emerged in response to the rapidly changing face of Vietnam’s higher education (Kleiwer 1999; Kelly & Littman 2001).

- First, appropriate training is needed to facilitate the transformation of Vietnam from subsidized-planned state economy to a market economy. That is to implement effectively the policy of renovation.
• Second, the limited investment funds of the state must be recognized. Despite such shortages, the scale of higher education must be expanded, strengthening the capacity of higher education institutions in scientific research targeted at improving the nation’s productivity.

• And finally, the promotion of innovation must be an integral role of universities.

Being in such crucial situation, the Ministry of Education and Training (MOET) creates numerous incentives to encourage the establishment of private universities in the larger scale. The aims of this action relate to increasing educational coverage, changing educational content, and directing scarce resources toward the optimal use as to provide graduates with the necessary skills to perform effectively in the shifting and developing labor market (Institute of Higher Education 2004). Three principal types of non-public universities in Vietnam are defined as follows:

Private (“tu lap/tu thuc”): These are private institutions in the usual sense of the word itself, owned and managed by private individuals. Fully private institutions are not allowed in primary and secondary education, but only in pre-school, vocational/technical schools and tertiary education. This type is defined as the total withdrawal of public support and the shifting of education to the private sector (Cooper, 1990). Cooper argues that the ideology that schools run by the government could lead to orthodoxy, tyranny, and poor quality as Mill (Mill 1946:130, Cooper 1990) argued: *a general state education is a mere contrivance for molding people to be exactly like one another and the mould in which it casts them is that which pleases the predominant powers in the government, whether this be a monarch, a priesthood, an aristocracy, or the majority of the existing generation.* Having a similar point of view, Russell (1955:57, cited in Cooper 1990) is concerned that *education controlled by government could produce “a herd of ignorant fanatics, ready at the word of command to engage in war and persecution as may be required of them; while Illich (1970, cited in Cooper 1990) has a strong notion of privatization to urge modern nations to “de-school” and support networks of self-help and involvement (called “learning webs”). In order to support his rational, Cooper (1990) adds that the ideal school is the private and independent school, one which is highly responsive to local market and changing consumer demands. However, the challenge of private institutions is that they must be either productive or become extinct.

In practice, total privatization of education is highly unlikely because the public and government have a prevailing interest in education. It is also argued that making
education dependent on family income would exclude the poor from schooling, create an underclass, and destroy economic growth, quality of life, and improvement in “human capital” (Schultz 1961, 1971; Cohn 1979; Cooper 1990). West (1970:31, cited in Cooper 1990) explains that “the social benefits of education are not confined to the ‘educatee’ but spread to society as a whole, most noticeably in the form of reduced crime and more ‘social cohesion’.

People-founded (“dan lap”) institutions are owned and managed by non-government organizations or private associations such as trade unions, cooperatives, youth organizations and women’s associations. This mode is close to full cost recovery. In the same way, Cooper (1990) affirms that educational reforms have attempted to mimic the free market while leaving the public ownership intact. If these reforms involve giving students a voucher worth the average costs per students, this private style provision will not then exclude the government of its responsibility in education. Seldon (1986, 87) argues that a change from the socialistic public school controls to tuition vouchers for families will certainly upset the monopolistic school system. The new educators will be enthusiastic to embrace the new technologies and to satisfy the consumers in families and industry. Educational privatization is not believed by most to be a true market approach, since modern societies are loathe to trust completely in private sector, particularly for poor families unable to compete in an open market.

Semi-public (“ban cong”): The facility is owned by the state and managed by a public authority at the central, provincial, district, or community level, but all the operating costs are covered by student fees. More clearly, a semi-public institution is an institution whose initial infrastructure and staff affairs are provided by the government, but its recurrent expenditure will be covered by non-government sources. The semi-public institutions are usually established on the basis of former public higher education institutions (Lam 1995). This type of privatization is perhaps the least radical of the three modes, since it may occur even when schools are publicly owned and funded. Yet allowing institutions to manage their own affairs (special mission, planning and decision making, funding, program, staff, student admissions) does introduce significant autonomy, enterprise, and choice where it counts most. The belief is that by pushing authority down to where students learn and teachers instruct, institutions will be better
run, staff will show greater commitment, and schools will be more productive (Finn 1984, Cooper 1990).

An investigation on “devolution revolution” in education governance and the use of private sector management techniques in decentralized school systems has been analyzed by Caldwell and Spinks (1988, cited in Cooper 1990). The result shows that a number of countries – United Kingdom, the U.S., Canada, Australia, etc - are experimenting with the privatization of governance, with schools behaving more like small semi-autonomous corporations than centralized school systems (Caldwell & Cooper 1990). The United Kingdom’s five-year experiment in school-based budgeting (Humphrey & Thomas 1986, Cooper 1990) led to: a willingness on the part of schools to use their power of virement (line item discretion); a more responsive approach to school maintenance, with schools now able to set their own priorities; greater awareness among teachers of the financial parameters; and steady improvement in quality of financial information made available to schools. Plans have been made to improve the financial information systems, and for in-service training of teachers and officers of the authority as autonomy are extended to other schools (Caldwell & Spinks 1988, 11).

In sum, the privatization of governance, then, has many effects on more comprehensive private ownership. It puts staff on notice that they control their own programs and are accountable and responsible for the outcomes. However, unless students can also show their dissatisfaction by leaving a poorly run institution, staff may not get a true picture of their reputation and performance. Hence, privatization of governance alone is unlikely to change schools dramatically without the barometer of consumer involvement and choice (Cooper 1990).

Recently, people have seen the appearance of the 100% foreign universities which have campuses in Vietnam. This new type of higher education institutions cannot be considered to be encompassed in the privatization because they do not carry the characteristics of a NPO; therefore, I will not focus on this arena and move on to the regulations for private institutions.

Decision No.14/2005/QD-TTg on January 17, 2005, was promulgated by the Prime Minister. The decision is about the regulations on organization and operation of private “tu lap/tu thuc” universities, consisting of 41 Articles; I just mention some articles that are related to my discussion.
The rights and obligations of private institutions are mentioned in Article 7 according to which private institutions are fully autonomous and responsible for their own development strategies and plans, training programs, and scientific and technological activities, finance, international relations, teaching and administrative staff recruitment. Moreover, tax exemption policies, tax-reduction policies, and other special rights/policies such as land-use right, land-rent right, and loans are reserved for these institutions. They, however, have to report to entities that have direct control over them.

According to Article 10, the proportion of the fulltime teaching staff must reach 30 percent of the total number of professors who work for the universities. This issue is clearly stated in Article 26 that the proportion of 30 percent of fulltime permanent teaching staff is applied for the first-year operation. This proportion is supposed to be 50 percent after five years of operation. After ten years, the institutions have to assure the necessary number of fulltime teaching staff as required by the institutions’ training and research plans. The deans of the faculties must be fulltime professors. Student-teacher ratio is supposed to be from 5 to 10 students per teacher for liberal arts, from 10 to 15 for areas such as science and technology, and from 20 to 30 for human and social sciences, business and other related areas.

Article 36 is about profit distribution. It says that net profit can be distributed as follows:

- To fulfill the obligations required by the state;
- To reinvest in the institution’s planning and development funds and other funds set up by the institution’s Board of Trustees;
- The rest will be distributed to the owner/owners and shareholders in accordance with the proportion they invest into the institution’s establishment.
CHAPTER 3: LITERATURE REVIEW

Demand and supply theories of NPOs in chapter 2 offer the starting point for understanding the different roles that private universities have in different national systems (Holtta 1990). They may serve citizens by offering more, different, or better higher education (Geiger 1985). Availability of capital and income in accordance to government policy has had a role in shaping the special conditions for NPOs. The following section emphasizes three main roles of private higher education sector.

3.1. Mass Private Sector

Geiger (1986, 13) denotes that mass private sector essentially fulfill the role of accommodating the bulk of popular demand for higher education. They complement public sectors that are relatively small, predominantly selective, and to a large extent oriented toward the elite tasks of higher education. The determinant factor of mass private sector is the public-private relationship rather than the relative sizes of the two sectors, he emphasizes. The private institutions become the agencies for meeting the general unsatisfied demand for higher education (Holtta 1990). When educational modernization produces large number of secondary school graduates, we consider it as the case of excess demand of quasi-public good. This happens throughout much of the developing world. In practice, private institutions supplement the public sector in various ways. The excess demand for higher education may be absorbed through the expansion of private institutions (Geiger 1991). This measure has accommodated a majority of enrolments in private institutions. It is not the size, but the characteristics of the private sector that are determinative. The first distinctive character is the accommodation of a large number of students of low-quality and in low-cost instruction (ibid). Mass private sector is created to absorb excess demand.

Diversity and innovation are commonly regarded as attributes of this paradigm (Geiger 1986), but it seems that these attributes are inhibited by the first characteristic, that is the absorption of the bulk of the national demand and the notion of the pluralism. The countries with extraordinary homogeneity of their population and cultural values will leave little role for mass private sector. Similarly, a hierarchical structure will create
inequality. The reliance on tuition is also regarded as another trait of mass private sector. However, it is a limitation may restrict the development capacity of the institutions. This is also one of the reasons that lead to another trait, which is the tendency to focus on humanities and social sciences rather than on expensive natural science disciplines, and on teaching rather than on research. The last characteristic is the governmental regulation in private higher education. In principle, the nature of the government’s role is an important concern.

3.2. Parallel Private and Public Sectors

Parallel private and public sectors are characterized by symmetry rather than the asymmetrical relationship of mass private and restricted public sectors (Geiger 1991). The differentiated demand model is a relevant explanation for other kinds of social roles that private universities/colleges may have. Private provision of different tastes can be stimulated by the need to guarantee a degree of cultural and linguistic pluralism within a non-hierarchical system (Holtta 1990). When public and private institutions have equivalent status and functions, two sectors are considered parallel (Geiger 1986). Geiger (1991) presents three conditions that would seem to be required:

- The existence of “legitimate” cultural groups whose interests are represented in the society;
- A single high national standard for university degrees;
- Extensive government subsidization of private institutions in order to equalize conditions with the public sector.

The evolution of parallel public and private sectors, suggested by Geiger (1986, 99-106), consists of four stages. The first stage is the outset and necessary conditions for the establishment of this paradigm, including legally guaranteed freedom of education and the existence of national degrees. The second stage stretches from the initiation of regular government subsidies to the point where virtually full public financing of private institutions is granted. This stage would be accompanied by the recognition that the provision of private institutions is a public service, the legitimacy of the sponsors entrusted with offering this service, and the instruction meets high standards for national degrees. The next stage is the transition to full government funding without substantial internal changes in the life of universities. This accelerates the university expenditure and increases the institutional autonomy that permits institutions and individual faculties
to pursue their goals. The last stage presents the full government funding and the substantial imposition of the government control.

### 3.3. Peripheral Private Sector

Demand for different higher education may also take place in circumstances where the government chooses to have public sector dominance within the higher education system. Private institutions, if they are allowed, are left with only peripheral role to fulfill (Holtta 1990). In other words, the scope of peripheral private sector is largely determined by the extent of the higher education terrain occupied by dominant public sector (Geiger 1986, 107). Geiger (1991) also explains that where public sector is designed to fulfill all of the recognized need for higher education, peripheral private sector emerges to serve purposes neglected by the state. Such a development assumes that private institutions are legally tolerated; otherwise the result is a monopoly public sector such as those existing in Communist societies. Government concentrates on supporting the comprehensive public sector, leaving the private institutions to finance themselves. The financial status of these institutions links to normal consequences:

- Private institutions will tend to be closely associated to a sponsoring group or a specific clientele and thus particularly responsive to the needs of those sponsors or clients;
- Private institutions are unlikely to have resources to compete academically with public institutions. Instead, they tend to find niches outside the academic mainstream.

These factors make peripheral private institutions among the most private in higher education. In other cases, private universities function as providers of high quality higher education for a special private purpose. This model can be found in both highly developed and developing countries. In highly developed countries, private sector consists of only one or a few elite institutions that have strong commitment to private reason and a special mission, which they fulfill effectively (Holtta 1990).

Strictly speaking, the most significant criteria for determining the relative vibrancy of private sector remain more subtle and subjective. They come down to, first, whether private institutions are sufficiently different from their public counterparts to enhance the range of student choice, and hence the overall diversity of the system; and second,
whether the independence of the privates contributes to adaptive innovation, thus helping
the system as a whole to change with the evolution of its social environment (Geiger
1986, 101).

3.4. Pros and Cons of Private Universities

The advantages and disadvantages of private universities depend, to a great degree,
on the social role and sectoral situation of the institution (Holtta 1990). The first visible
advantage is institutional diversity – affording numerous alternatives for pursuit of
advanced education. This diversity varies among higher educational systems. Some
private institutions have chosen to be relatively small, catering to academic elites; others
have worked to grow as large as possible (Geiger 1986, 241). Some private institutions
aim at specialized training programs in response to labor market, others provide religious
faiths or cultural pluralism. The identities of these provisions range from full-time and
part-time courses, evening classes for working students to in-service and distance courses
for those who desire. Some other institutions emphasize their differences in style of
instruction – that is the way they manage to conduct their students to the common goal of
a university degree. In some cases, prestigious institutions impose their strong influence
to conform upon the rest of the system. However, this imposition would not necessarily
lead to conformity because diversity and conformity are different facets of a private
sector. Uniformity is mainly created by academic integration. Nevertheless, a common
academic orientation does not necessarily exclude dimensions of diversity. The diversity
of less selective private colleges/universities may enhance access to higher education.

The continual adaptation to the changing requirements of external constituencies,
labor market, and knowledge base of higher education connects it to innovation. Geiger
(1986) affirms that adaptive innovation forms the dynamic counterpart of diversity
within private sectors. In practice, any institution is, more or less, affected by internal
competition between institutions, external actors, political actions and pro-
active/anticipatory planning. It is likely that private institutions with non-academic
orientation are more innovative in response to the external groups upon which they
depend.

Privateness generates hierarchy within the educational system. The real or believed
quality of a university attracts better students, higher quality faculty, more research
funds, and opens better opportunities for graduates in the labor market (Garvin 1980). In
this competition, the strongest ones will survive. The resource base of low-status mass private universities, however, remains weak. Since the institutional prestige is usually more directly dependent on their success in placement of graduates in the labor market than on academic attainment, the result may be low academic standards and adjusting to the goal of producing credentials instead of human capital (Holtta 1990). This situation will weaken the connections with disciplines, the academic profession, and research communities. The consequent state effort to compensate for low standards through extensive regulations makes the situation even worse (Geiger 1988, Holtta 1990). Is the emergence of the educational market an alternative to accomplishment of the public/state-run educational system? Or will it be a bomb which may destroy the system due to the low quality of the service?

Additionally, some private institutions have been especially important in conducting research and sustaining high academic standards even though this task is shared with the leading public universities in a parallel system. They also make the resource base stronger in the educational system by mobilizing private resources that otherwise would not be available. Geiger (1986, 241-243) nevertheless denotes that at the bottom of academic pyramids lie mediocre institutions with programs of questionable worth. High degree of diversity inevitably means considerable inequity as well. Large hierarchical private sectors face the problem of low-quality schools in the lower layer of academic pyramid.

Arguably, privateness reduces tax burden and tax-induced disincentive effect (James 1987). By revealing and implementing private preferences, privateness improves efficiency and welfare. A greater financial stake has also a positive impact on student performance in studies (Psacharopoulos et al. 1986, Holtta 1990). Clark (1987) adds that diversifying the resources of finance of higher education, privateness also strengthens institutional autonomy. With the chain of bureaucratic control, public universities offer an effective way for the government to implement changes in political priorities at the institutional level; whereas, private institutions possess the advantage of flexibility of adaptation to increasing complexity through market responses. Especially, in the circumstances of scarcity of educational services, private universities possess a strong, partly unused potential in encouraging economic and social development. Empirical figures (Mignat & Tang 1986) show that access to higher education in most countries depends quite heavily on the occupational status of the family head as well as on the individual’s abilities. This can be seen clearly in developing countries where adverse
macroeconomic conditions and intersectional competition for public funds have reduced the ability of most governments to expand education, although the economic returns to educational investments are high. It is obvious that social rate of return is significantly higher in primary than in higher education. It is known that private returns in higher education may be really high, as high as 20-30 percent in many developing countries. Yet the government heavily subsidizes higher education at the expenses of primary education (Psacharopoulos et al. 1986, Psacharopoulos 1988).
CHAPTER 4: VIETNAM’S PRIVATE HIGHER EDUCATION SECTOR

4.1. Background of the Emergence of Private Higher Education Sector

In the analysis of contemporary educational issues, the social and cultural perspective is often ignored. Theoretically, such ignorance may lead to the superficial understanding of the emergence of private higher education sector in Vietnam. If the background of the emergence is examined in the full picture within the context, the confusion will be avoided. Therefore, I would like to give the readers the full image of the background of the growth of private universities by giving the arguments from the economic, and social and cultural perspectives.

Economic Perspective

Since the 1950s, in developed countries, and a little later in most developing countries, the demand for education has increased tremendously, even explosively. Both demographic factors and rising expectations of people have played important roles in the expansion of post-secondary education, especially in developing countries. The first reason is that massification is rapidly spreading to the developing world. The second reason is the rise of the knowledge economy. Knowledge has become the most important factor in economic development\(^1\). The world is currently in the grips of the soft-revolution in which knowledge is replacing physical resources as the main driver of economic growth. The calculation by the Organization for Economic Cooperation and Development (OECD) shows that the contribution of knowledge-based industries to total value added increased from 51% to 59% in Germany and from 45% to 51% in Britain during the period between 1985 and 1997 (World Bank 2002). The best companies are now devoting at least a third of their investment to knowledge-intensive intangibles such as research and development, licensing and marketing (Economist Survey 2005). By contrast, the large majority of countries in the developing world have neither articulated a development strategy linking the application of knowledge to economic growth nor built up their national science and technology capacity (World Bank 2002).
Most developing countries, including Vietnam, were seriously and negatively affected by the slowdown of their economic activities; therefore, their efforts to meet the demands for tertiary education have become more and more necessary and intensive, and there will be more challenges and difficulties in the long run. On the one hand, the pressure on public budgets has been intensively increasing, while governments are not able to satisfy the growing demands of the social and economic development. On the other hand, the economic crisis in the area has had an unfavorable impact on tax revenues, and the competing expenditures such as unemployment compensation, agriculture, health, foreign debt down-payment, and in some cases, military expenditures, are likely to take precedence over tertiary education. New types of relationships between the state and post-secondary education have been discussed. Each country has started from quite different, and sometimes opposite, institutional and financial settings. For example, Vietnam with public financing and control is looking towards more private financing and more autonomy at the highest level of the system; Japan where private unsubsidized institutions were dominant has tended to introduce or to increase public subsidies and public control of the private sector (Eicher & Chevaillier 2002, 72-89).

Private higher education is emerging as one of the most dynamic segments of post-secondary education at the turn of the 21st century. This distinction is linked with the ideology of privatization that is so influential at present and with the worldwide trend to cut public spending (Altbach 1998). The commitment to the new economic renovation policy (“Doi Moi” policy²) was made at the Sixth Congress of the Communist Party of Vietnam in December 1986, and reaffirmed at the Seventh Congress in June 1991. To move towards a market-oriented economy, all sectors in the society including higher education have been mobilized to support development of the economy. Government policy targeted at a market-oriented economy, modernization and industrialization has led education and training to become top national priorities. Tertiary institutions are among the most important engines of the knowledge economy. Not only do they produce the brain workers, they also provide much of its backbone from laboratories to libraries to computer networks. Vietnam’s government is now unable to cover the budgeting of its tertiary system, while the demands for access and skilled personnel have been increasing. Therefore, the development of higher education must be considered as the responsibility of the whole country – the state and its people. It must be tightly directed towards the demands of social and economic development. Government tries to maintain the core
role of public universities while diversifying different roles of different types of universities including private universities based on a single government-controlled system of aims (UNESCO 1998). In response to the changes of the socio-economic policy in 1986, Vietnam’s higher education system has adopted some important renovation policies as well. Higher education training programs are aimed at serving not only the state and the collective economic sectors, but also all other economic sectors within the country. Budget for training was not only based on the allocation of the state budget but also on the mobilization of other resources, including the tuition payment of the learners (Lam 1995).

**Social and Cultural Perspective**

In a country where farming, the main source of living, depends on the caprice of the nature, and where wars against foreign invaders lasted for millenniums and centuries, Vietnamese people have been fully aware that only mutual support could help them survive in such crucial circumstances. This tradition has been reflected in many ancient proverbs, such as “Red crepe cloth covers the glass.”, or “People in the same country should have pity on each other.”, and “The healthy leaf covers the torn.” (Vu N. P. 1992). These proverbs have been deeply carved in people’s minds and hearts, and used as slogans for mobilizing giving. “Better to give someone a piece of bread when he is hungry than to give him a loaf of bread when he is full” is another saying which emphasizes the importance of support and help.

During the period of centrally-planned economy, government was the main supporter and provider. In other words, governmental subsidy was almost the only channel of resources. Since the reform policy in 1986, Vietnamese government has encouraged a growth of non-government sector (third sector). These non-governmental organizations (NGOs) are not purely governmentally-owned or profit-oriented but they create public benefits. They are not controlled by the government. NGOs are coordinated by two types of organizations. First, organizations formed by citizens on voluntary basis aimed at contributing to socio-economic development of the country, are coordinated by the Vietnam Fatherland Front (VFLF). Second, professional and business organizations are coordinated by the Office of GCOP. The majority of the philanthropic activities in Vietnam nowadays are coordinated between the Vietnam Fatherland Front (VFLF) and social organizations under its umbrella like Vietnam Women Union (VWU), Vietnam
Youth Union (VYU), Vietnam Red Cross (VRC) or Vietnam General Labor Federation (VGLF), etc. Their offerings in all kinds and forms are mobilized and distributed through the two major channels. The first channel could be defined as funds for and foundations of various associations and organizations which are for charitable purposes at sites such as provinces, districts and communes. The second one may include the direct collection and distribution of donations as regular or emergent activities.

Education and research are generally run by governmental institutions. However, the notion of third-sector organizations has been widely spreading out to the educational field. The role of this third sector has been increasing during recent years. The Vietnam Association for Promotion and Support of Education Development, the largest NPO in the area of education, was established in 1990 at the central level and later expanded its branches to most of the sixty-one provinces in the country. In research activities, the most important NPO is Vietnam Union of Association of Sciences and Technology which has its 52 branch associations, institutes and centers in 24 provinces. Higher education system is largely influenced by the third sector. There are 22 private non-profit universities and colleges for 2000/01 academic year, accounting for 12.4% of all universities and colleges in Vietnam (Edu.net.vn). All these universities are self-financing. Besides, there are also community-founded colleges sponsored by social organizations and communities such as University of Trade Union under VGLF, Women Cadre College under VWU, and Youth Cadre College under VYU.

4.2. The Establishment of Private Universities

**Historical Evolution of Private Universities**

Before 1986, the Vietnamese state supplied and financed the higher education system. The state determined and assigned student intake, and employed graduates. The reforms are being undertaken prompted by the transition to market economy which began in 1986 (Albrecht & Ziderman 1991). In 1987 the government allowed some institutions to collect fees from students. In 1989 the government withdrew the automatic guarantee for employment to university graduates and adopted a policy of tolerance towards the establishment of private higher education institutions. Several private universities have begun operation despite the fact that there is no statutory framework for registration and accreditation of such institutions (Eisemon & Holm-Nielsen 1995). The
following section involves the historical lines of evolution of private higher education from its first establishment to its dynamic development until today.

Intellectuals and academic staff have shown their growing concerns about the serious crisis in the realm of education and training throughout Vietnam because the academic standard of the country’s universities appears to be lagging too far behind that of other countries in the region and in the world. Therefore, new strategy of openness and innovation of higher education at the national level is perceived to be essential. In response to this notion, the first experiment was carried out. The first pilot private university - Thang Long University (TLU) - was established in Hanoi in 1988 under the open policy of the Vietnamese Government (Hoang & Sloper 1995, 200). This university was initiated by a group of intellectual persons and led by Dr Hoang Xuan Sinh. The main concern was related to the backwardness of higher education system in Vietnam. The aspiration was to create a new style of higher education which may provide an education of quality in accordance with the international standards. The foundation of TLU as a not-for-profit institution, which is authorized by MOET, is considered as an experimental private university. The aims of TLU at its inauguration were:

- To teach according to international standards;
- To admit students on their academic records without discrimination based on political or geographical criteria;
- To divide studies into “stages/phases”, each one of which is recognized by a certificate issued by MOET;
- To provide a flexible pattern of studies that is adapted to the needs of the nation;
- To give back to teachers their honor and their status in society;
- To give to deserving students the right to obtain, in Vietnam, education, culture, and a better future.

Apparently, these aims were really ambitious, and people found it very difficult to meet all those aims and to accomplish them. At the beginning, TLU had only one Department of Mathematics and Computing Science. It started its first recruitment of students in 1989. The second Department of Management was then created in September 1992. The reason for choosing these two disciplines was derived from the need of the society at that time. In April 1993 it accommodated 150 students for Mathematics and Computing Science, and only 54 students for the latter department (ibid, 201). The
university opened two more departments - Foreign Languages and Law for the academic year 1995/96, but the Department of Law was abolished after its first recruitment because MOET did not allow the university to run this department.

The university’s financial resources came from student fees and donations. The tuition fee was some USD80 per student per academic year (estimated in 1993). Donations were from overseas Vietnamese, French university professors, NGOs such as the Comite Catholique Contre la Faim et Pour le Development (CCFD), France-Libertes, Foundation Danielle Mitterrand, Association Europe France Asie (AEFA), the Embassy of Germany in Vietnam, the German-Vietnamese Association (GVA), the Association a l’aide des etudiants de Thang Long (AAETL), and Association pour le Soutien du Centre Universaire Thang Long (ASCTL). The Institute Superieur de Gestion Paris (ISGP) supported in the training of Vietnamese professors in Paris, in developing teaching programs, and in sending books and advisers to develop management programs at the university. In practice, TLU had to struggle with the financial status for its survival though NGOs were enthusiastic activators in financial mobilization for the university. The French Informatics Society agreed to help the university in improving the teaching in computing science by giving good equipment and by instructing the university’s academic staff on how to produce software applications for management and industry. CCFD has given the university two grants for learning business English abroad.

At the time, parents were not familiar with the notion of sending their children to private schools. Traditionally, they were willing to pay, sometimes very expensively, for specific coaching lessons for their children to enable them to pass the national examination for a place in national state university. Some parents persisted to pay such private lessons for their children for more than two years of training in order to pass the national examination and gain an entry to the national university, although the payment for these coaching lessons was very costly. This phenomenon exists until today, but less intensive and less popular. The first cohort of the enrolled students in TLU in 1989 comprised of students who had failed the national university entrance examination (ibid 1995, 204). This fact shows that the quality of enrolled students at that time was not good. Nowadays parents are more accustomed to the notion of payment for their children’s education in private universities. In practice, people in the north are less aware and familiar with the notion of private universities than those in the south, because
private schools existed in the south before 1975. This, to some extent, explains the disparity of the growth of private universities between the north and the south.

Due to the fact that student cohort was composed of those who failed the national university entrance examination; the quality of graduates was negatively affected. In an educational evaluation, out of 150 students of the first enrolment cohort, only 57 successfully completed the first phase diploma of the two years of study. The others of nearly one hundred either failed the assessments and examinations or were even dismissed of the school because of poor attendance and unacceptable behavior. Concerning teaching staff, the university had to employ professors from other universities and research institutes. All of these lecturers/professors worked on a part-time basis. The university invited foreign professors in order to attract more students, but this did not have the positive outcome. Some foreign lecturers came to teach as volunteers but it turned out that they had to face the obstacles of the students’ level of understanding of English and French because they used these two languages for their instruction. Although the university has tried to work on quality, since that moment, it does not really attract many good students. One of the incentives to attract good students to attend the university has been the scholarship or joint programs with foreign institutions. In practice, these strategies do not effectively work because the number of scholarships is too limited. Despite Vietnamese government supported the university by providing teaching premises, TLU has been in an extremely difficult situation for its development. Nevertheless, it represents an important test of a new style of higher education in Vietnam.

Despite of the fact that TLU has not achieved apparent success; a number of other private universities and colleges were successively established. During the period of 3 years from 1993 to 1995, 7 private higher education institutions have come to existence (Table 1): 2 in the north (Phuong Dong University, and Dong Do University); 4 in the south (University of Foreign Languages and Informatics, Van Lang University, Hung Vuong University, HCMC-University of Technology); and Duy Tan University in Da Nang Province - central Vietnam (Lam 1995).
Table 1: Private H.E. Institutions in Vietnam (1995)

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of Institutions</th>
<th>Location</th>
<th>Disciplines</th>
<th>Total enrolment</th>
<th>Initial teaching staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Thang Long University (TLU)</td>
<td>Hanoi</td>
<td>Mathematics and Computing Science, Management, Law, Foreign Languages</td>
<td>600</td>
<td>n/a</td>
</tr>
<tr>
<td>2</td>
<td>Phuong Dong University (PDU)</td>
<td>Hanoi</td>
<td>Informatics, Business Administration, Law, Accountancy, Banking, Foreign Languages</td>
<td>2,250</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>Dong Do University (DDU)</td>
<td>Hanoi</td>
<td>Informatics, Business Administration, Law, Foreign Studies, Foreign Languages</td>
<td>800</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>University of Foreign Languages and Informatics (HUFLIT)</td>
<td>HCMC</td>
<td>Foreign Languages, Information Technology, Oriental Languages &amp; Cultures, and International Business &amp; Management.</td>
<td>1,250</td>
<td>34</td>
</tr>
<tr>
<td>5</td>
<td>Van Lang University (VLU)</td>
<td>HCMC</td>
<td>Information Technology, Business Administration, Foreign Languages, Finance &amp; Accounting, Environmental Technology &amp; Management</td>
<td>4,700</td>
<td>62</td>
</tr>
<tr>
<td>6</td>
<td>Hung Vuong University (HVU)</td>
<td>HCMC</td>
<td>Informatics, Business Administration, Law, Foreign Languages</td>
<td>1,200</td>
<td>n/a</td>
</tr>
<tr>
<td>7</td>
<td>HCMC-University of Technology (HUTECH)</td>
<td>HCMC</td>
<td>Electronic-Telecommunication, Informatics, and Foreign Languages</td>
<td>1,353</td>
<td>15</td>
</tr>
<tr>
<td>8</td>
<td>Duy Tan University (DTU)</td>
<td>Da Nang</td>
<td>Technology, Business, Accounting</td>
<td>830</td>
<td>58</td>
</tr>
</tbody>
</table>

Source: Information Center of Ministry of Education and Training, 1995,

In the north, DDU was established by a group of members of Vietnamese Science Institute; and PDU by some retired professors of Vietnam National University – Hanoi. Parallel with the “purely” private universities, the creation of Open University began. Hanoi Open University (HOU) - the first Open University in Vietnam - was established under the Decision No.535/TTg of the Prime Minister on November 3rd, 1993 as an educational institution which operates in the system of national universities directly run by MOET, and enjoys all the regulations of a public university. However, HOU is different from the national state-managed universities:

- It functions as an alternative for public university in order to replace, accomplish, and modify the training programs which are not offered by the public universities, and to create opportunities for all citizens especially working people who desire to continue their studies to improve their working skills and quality of life;
• It opens more opportunities for all citizens, especially the group of people beyond
  the college-age cohort and poor people coming from remote regions;
• The programs are built on the credit system;
• It is allowed to mobilize and seek other external financial sources out of the state
  budget of venture capital.

In the south, HUFLIT was founded in 1994 in accordance with Decision 616/TTg
of the Prime Minister on the foundation of the non-state Saigon School of Foreign
Languages and Information Technology established in 1992. The degrees conferred by
HUFLIT are approved in the national degree system. VLU was created by an intellectual
group in HCMC. Its first President was Dr Pham Khac Chi – the former director of Dalat
Atomic National Institute. Hung Vuong University’s president was Dr Ngo Gia Hy – a
famous physician in HCMC. HUTECH was set up by technical lecturers in 1995 and
opened its first academic year 1995/96 on November 2\textsuperscript{nd}. If in the north, HOU was
created in order to partly satisfy the increasing demand in changing socio-economic
environment, then in the south, HCMC Open University (HCMCOU) was also created
on July 26, 1993 with assistance of the municipal government in HCM under the Decree
389/TTg signed by the Prime Minister on the base of HCMC Institute of Open Training
founded in 1993 under the Decree 451/TCCB signed by MOET. This is also the first
Open University which is managed by semi-public regulations. HCMCOU offers the
open way of training to activate the justified directions of Communist Party and the
government in socializing education and multiplying the training types. The university
aims at meeting various learning needs of the citizens and contributing to the
enlargement of human resources for the country. Its specific missions consist of:

• Offering various forms of training and education such as distance learning, on-
site, learning via satellite academic centers at different levels – postgraduate
(master degree), undergraduate (bachelor degree), diploma programs (diploma),
and fostering courses (certificate);
• Conducting science research, handing over industry activities, popularizing
information about science and technology, and propagating and preserving the
national cultures;
• Associating with many local training centers in order to help them;
- Organizing training collaboration activities with many other companies, science research organizations, and educational institutes. These missions are closely attached with the disciplines offered by the university.

Table 1 indicates that most private universities offer such programs as business administration, foreign languages, informatics, and accounting, and technology because these disciplines do not require laboratories or special facilities. In the present economic development, programs in Information and Technology are particularly fashionable in most universities and colleges both public and private. It also shows that the enrolment within each private university varies from 500 to 4,700 students. The total enrolment computed in 1995 was about 13,000 for private universities plus 22,000 students for semi-public sector, compared with the public university enrolment of 330,000 students. Non-public sector accommodated only 10% of the total students (Lam 1995). VLU is the largest among the new private universities. Statistically, it enrolled an impressive number of 4,700 students in its very first year. Afterwards, MOET restricted the number and allowed only 800-1,500 students per academic year for every private university, even though the number of students desiring to matriculate quickly reached 27,000 for academic year 2000/01 (Pham & Gerald 2002). In contrast, the number of students enrolling at DDU was smaller than its quota. Such discrepancies reflect the realities of the competition through market mechanisms, mandated by renovation policy.

Successively, other new private universities were established in HCMC (Table 2): Hong Bang University (1997), Ton Duc Thang University of Technology (1997). Ton Duc Thang University of Technology was founded and directed by HCMC Federation of Labor Unions (HCMC FLU). It has not received any private funding. It has been financially managed as a state university. It was renamed Ton Duc Thang University since 2003 under the Decision No. 18/2003/QD.TTg signed by the Prime Minister, and it is now under the authority of HCMC People’s Committee and considered as a semi-public university. Some other universities and colleges were also established in the provinces. For the time being, these private universities are operating in accordance to the temporary regulations by MOET (Lam 1995). After few years of operation, some universities have expanded their scope of disciplines; therefore, new faculties in certain universities will be found in Table 2.
### Table 2: Private H.E. Institutions in Vietnam (2001)

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of Institutions</th>
<th>Location</th>
<th>Faculties</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Thang Long University</td>
<td>Hanoi</td>
<td>Mathematics and Computing Science, Management, Foreign Languages,</td>
</tr>
<tr>
<td>2</td>
<td>Phuong Dong University</td>
<td>Hanoi</td>
<td>Informatics, Business Administration, Law, Accountancy, Banking, Foreign Languages</td>
</tr>
<tr>
<td>3</td>
<td>Dong Do University</td>
<td>Hanoi</td>
<td>Informatics, Business Administration, Law, Foreign Studies, Foreign Languages</td>
</tr>
<tr>
<td>4</td>
<td>Hanoi Open University (HOU)</td>
<td>Hanoi</td>
<td>Electronics &amp; Telecommunications, Bio-Technology, Informatics Technology, Tourism, Economics, Law, Industrial Design, and</td>
</tr>
<tr>
<td>5</td>
<td>Hanoi University of Business &amp; Management</td>
<td>Hanoi</td>
<td>Business Management, Informatics, English, Commerce &amp; Marketing, and Finance &amp; Accounting</td>
</tr>
<tr>
<td>6</td>
<td>Hai Phong University (HPU)</td>
<td>Red River Area</td>
<td>Information Technology, Civil &amp; Industrial Electricity, Telecommunication &amp; Electronics, Civil &amp; Industrial Construction, Petrol Technology, Foodstuff Technology, Environmental Technology, Agriculture Technology, Business Administration, Culture &amp; Tourism, Foreign Languages</td>
</tr>
<tr>
<td>7</td>
<td>University of Foreign Languages and Informatics (HUFLIT)</td>
<td>HCMC</td>
<td>Foreign Languages, Information Technology, Oriental Languages &amp; Cultures, International Business &amp; Management, Tourism &amp; Hospitality, and International Relations</td>
</tr>
<tr>
<td>8</td>
<td>Van Lang University (VLU)</td>
<td>HCMC</td>
<td>Information Technology, Architecture &amp; Construction, Environmental Technology and Management, Biological Technology, Finance &amp; Accounting, Business Administration, Commerce, Tourism, Foreign Language, and Industrial Art</td>
</tr>
<tr>
<td>9</td>
<td>HCMC-University of Technology (HUTECH)</td>
<td>HCMC</td>
<td>Electrical &amp; Electronics, Information Technology, Civil Engineering, Mechanical Informatics, Environmental Engineering, Business Administration, Garment Technique &amp; Fashion Design, and Foreign Language</td>
</tr>
<tr>
<td>10</td>
<td>Hung Vuong University (HVU)</td>
<td>HCMC</td>
<td>Informatics, Business Administration, Law, Foreign Languages</td>
</tr>
<tr>
<td>13</td>
<td>Van Hien University (VHU)</td>
<td>HCMC</td>
<td>Information Technology, Electronics – Telecommunication, Economics, Philosophy, Psychology, Cultural Studies, Sociology, Tourism, and Foreign Languages</td>
</tr>
<tr>
<td>14</td>
<td>HCMC Open University (HCMCOU)</td>
<td>HCMC</td>
<td>Economics &amp; Business Administration, Accounting-Finance-Banking, Computer Science, Foreign Languages, Bio-Technology, Engineering &amp; Technology, Southeast Asian Studies, and Sociology</td>
</tr>
<tr>
<td>15</td>
<td>Duy Tan University (DTU)</td>
<td>Da Nang</td>
<td>Informatics, Business Administration, Law, and Foreign Languages</td>
</tr>
<tr>
<td>16</td>
<td>Cuu Long University</td>
<td>Mekong Delta Area</td>
<td>Oriental Studies, Electronics, Food Technology, Information Technology, Electrification &amp; Electricity Supply, Mechatronic, Biotechnology &amp; Environmental Science, Construction technology, Foreign Language, Business Administration, and Finance &amp; Accounting</td>
</tr>
<tr>
<td>17</td>
<td>Lac Hong University</td>
<td>Dong Nai Province</td>
<td>Oriental Studies, Electronics, Food Technology, Information Technology, Electrification &amp; Electricity Supply, Mechatronic, Biotechnology &amp; Environmental Science, Construction technology, Foreign Language, Business Administration, and Finance &amp; Accounting.</td>
</tr>
</tbody>
</table>
4.3. Initial Achievements of Private Higher Education Sector

Although the government increased national budget for public universities, the demand of tertiary education is not completely met. Thus, the government’s social policy to diversify higher education institution patterns is at the right time. The establishment of private universities has provided access to more than 104,265 students of the total 918,228 students’ nation-wide, equaling 11.4% of the total student population. It is computed that twenty seven private and semi-public universities and colleges have operated in Vietnam, accounting for 10% of the total number nationwide. The proportion is expected to reach 30% in the future. This is a remarkable achievement that demonstrates the timely and judicious policy of the Vietnamese government. The total cost for education has increased from VND7,100 billion (10.8% of the national budget) in 1996 to VND 14,180 billion (15% of the national budget) in 2000 of which 80-85% went for personnel (including salaries, allowances, scholarships) and only 15-20% was used for educational facilities and infrastructure (Pham & Gerald 2002). The above figures imply that only small proportion of the national budget was used for education and infrastructure of education. This fact might bring some space or missions/tasks for private sector to take over. In other words, private institutions are probably expected to undertake or share the responsibility in the higher education realm.

Most newly-established private universities are small in size and range of disciplines. They have to rent campus for teaching activities and offices for administrative work. In order to survive in such competitive environment of market mechanisms, these universities have tried to seek support from domestic companies, and international organizations. Thanks to that, they have established reasonably good equipment, facilities, and infrastructure in this initial phase of privatization. After few years of operation, some universities have already built their own campuses, escaping from renting classrooms or offices. For example, VLU has purchased two major buildings to accommodate the large and constantly growing number of students. Also, VLU has 8 laboratories including a lab for environmental studies (supported by the Netherlands), and a new language learning lab (supported by Japan). Its library system holds approximately 10,000 books including many books in foreign languages donated by overseas organizations. HUTECH has developed two campus areas and accommodated all students of the university block and its vocational training missions.
HUTECH also owns its laboratories, 800 computers and an electronic library with good electronic equipment and modern code lines. HUFLIT has built and developed a new campus area with enough classrooms and laboratories equipped with computers for students. More recently, TDTU possesses its own campus with 30 classrooms, laboratory system, and a library. HBU has also invested in building necessary infrastructure solely through private fund, which reflects the changes of the new market economy (ibid).

Concerning academic achievement, data indicate that 70-75% of the students attending private universities have achieved average scores; 15-20% shows their weakness in academic achievement; and less than 10% are very good and excellent students (ibid). About 75% of graduates from VLU have found jobs. Especially, a great numbers of graduates of VLU’s faculty of Tourism have found stable and well-paid jobs, responding to the rapidly growing demands of this area in Vietnam’s economy. Tourism in Vietnam is nowadays considered highly potential but not yet well realized and invested (Zielbauer 2002) because Vietnam is now recognized as the safest place in the Southeast Asia to travel. This sector continues to bring more benefits for the economy and society, therefore, the faculty of Tourism run by VLU is a step forward on its role in meeting the socio-economic development. There is also the Study Support Fund which, to some extent, offers some special scholarships to poor and excellent students. Also, the Student Support Service Centre is created within the individual institution to help a number of students in seeking part-time jobs.

Recently, students have demonstrated their initiatives in arranging special seminars, workshops, and student-exchange programs with other domestic universities both public and private and with international educational organizations or centers. These activities promote students to exchange knowledge and share experience. They will, to some extent, improve cultural understanding and language skills as well. Some private universities have established innovative special subjects such as Tourist Guide (VLU), Nutrition and Fashion (HUTECH), Vietnam ecology (HBU), and Labor Protection (TDTU). These new subjects which have never been offered in public universities are designed to be responsive to new requirements of the market economy. In addition to the function of preparing graduates for new market economy, private universities actually play a very important role in the society of which they are well aware and highly responsible for. For example, students volunteer to participate in certain educational and social movements and campaigns organized by VYU, VRC in order to raise funds to help poor people in remote areas. During the vacations or summer holidays, many
students voluntarily participate in an annual popular movement called “Green Summer Campaign”. These activities, to certain extent, reflect the socialist ideology from which the universities are created.

The increase in international relationships and linkages brought by private universities/colleges is not remarkable till now, but they cannot be ignored. International cooperation is seen as a priority policy to increase knowledge of both teachers and learners especially in the modernization and industrialization trends currently taking place in Vietnam. The cooperation does really help the universities in terms of development of new materials and investment in modern equipment. This factor is actually essential for the universities/colleges to integrate themselves into the globalization of higher education. In order to keep in pace with the international missions set up by the institutions themselves, they have already widened their range of cooperative links with other universities and educational organizations in the region and around the world. For instance, VLU has established good relationships with University of Oregon, Payap University (Thailand), Wageningen Universiteit (the Netherlands), and Toulouse University (France); HUFLIT with Agence Universitaire de la Francophonie, and Université Sans Frontière to name some; HUTECH with Sanghai University (China); and TDTU with Michigan University (the US.).

TLU has established a very good relationship with France and Japan. Among these is the cooperation with CCFD which started since the very early days of its foundation. CCFD has, up to now, continued to support the university by upgrading the quality of classroom and equipment. ISGP has agreed to train teachers and to design the programs for the university’s Department of Management. Toulouse University accepts to offer graduate courses for the university’s cadres and to receive students who have finished their fundamental phase in Vietnam with excellent scores Nice University offers the similar forms of association. There are ten students admitted to study in Toulouse and Nice in 2003. Although the number is small, it indicates a good starting point in international linkage which is positively predicted to rapidly increase in future. Nanzan University (Japan) has already admitted young cadre from TLU to follow some graduate courses. With the support from the Toshiba International Foundation (TIFO), Japanese-language program is established at TLU. Thanks to this program, the university is endeavoring to respond to the demand in Vietnam for language training in specialized fields. In 2001, TIFO donated 90 Japanese language-related books and tapes. In sum, international linkages and cooperation play a very important role in the process of
educational and economic globalization. This importance may multiply in developing countries because rationale of the cooperation is based on mutual basis. If a country or an organization succeeds in building good relationship in terms of mutual relation and cooperation, that entity may benefit a lot from these activities.

4.4. Persisting Problems

In practice, some serious weaknesses of Vietnam’s higher education relate to the quality of teaching and learning; financing, shortage of lecturers in terms of quantity and quality; and articulation between training and scientific research. There are a number of reasons why these problems have persisted. As in my preceding discussion, under the restructuring of Vietnamese economy with a focus on free market mechanism, the role of the state has been diminished. Concomitantly, there is ambiguity related to the exact nature of the devolution of authority within the higher education system. The shortage of financial investment limits the development potential of private universities. The overall picture of the country shows that Vietnam remains an extremely poor country which has affected the development of its infrastructure, both physical and human capital.

The first and foremost issues are legal authority and governance with regard to private higher education sector. Many guidelines for private university/college operation were issued by the government and MOET, but these are simply temporary measures. The first private university was established in 1988, but not until July 18, 2000 did the Prime Minister issue the temporary regulations about operation for private universities. This was just an agreement indicating that private higher educational organizations should be private non-profit institutions. In practice, this agreement has been intensively debated because it did not encourage the capital contributors or investors. Arguably, these contributions are but philanthropy; therefore, investors are not motivated to invest to the maximum level since they get no financial returns from their investment. The owners of the private universities were not clearly defined. According to the 1986 laws, the assets of private universities and colleges belong to capital contributors, lecturers, and staff who hold the share. Not until January 2005 was the decision about regulation on organization and operation of private universities and colleges officially promulgated.

At present, the controversial issue within private higher education institutions is teaching staff which is very limited in quantity and quality. Private institutions mainly rely on inviting staff from public universities and research institutes. For instance, the
fulltime teaching staff in VLU accounts for 35%, 17% for HVU, and some 40% for HUTECH. The number of teachers is 25,782 including 1,702 in private institutions of which 15 % hold doctoral degrees (NIER 1998). Although the number of lecturers has been increasing, it has lagged behind the current explosion in the number of enrolled students. The number of students jumped from 225,274 to 893,754 equaling 3.96 times higher for the period from 1993/94 up to now; while the number of lecturers rose from 20,648 to 30,309 equaling 1.47 times higher for the same period (Pham & Gerald 2002). The lecturer/student ratio is about 1/29, which is rather high compared with other countries in the world. One more problem is that many of lecturers are approaching retirement age. Generally, the private university’s/college’s fulltime professors account for only 20 percent and most of these professors are fresh graduates. Over 70 percent of teaching staff at private universities/colleges are part-time professors who are normally busy with their work at their public and principle university. They thus invest less time in their second and part-time job at private and subordinate universities. The common issue among private universities is that professors are heavily involved in teaching commitment rather than research activities.

Curricular issue is also another persisting problem. Although teaching programs are more flexible than those of the state universities, they are still not always consistent with the practical needs of the society. Programs and curricula are excessively theoretical and less responsive to the needs of market-oriented economy. Consequently, students obtain inadequate practical skills after graduation. In addition, the teaching method is considered passive, obsolete and traditional. Teaching staff are limited in computer skills and updated knowledge. Moreover, the universities lack new and modern equipment; therefore, teaching staff are not well prepared to implement new teaching methods. Traditionally, students are required to take note and learn by heart everything taught by the lecturers. This has been a dominant learning method. Students do not have opportunities to access the documents on their own and to engage adequately in practice. Recently, government endorsed a ten-year master plan for educational development. An important element of the plan is to shift from “passive knowledge transmission” to “more active and critical thinking and self-learning” (Supalak 2002). Also, the linkage between education and research institutes and businesses is almost non-existent or very weak due to the lack of appropriate organizational mechanisms and market institutions (Tran N B 2003). It is believed that most students attending private universities are categorized “the second-type students”. The enrolment requirements set up by private institutions are
normally lower than those of their public counterparts. Those who have good and excellent scores go to public prestigious institutions, while less-qualified students tend to enroll in private institutions. Management issues also cause a lot of debates among educators.

Vietnam’s private universities face difficulties to find sources of financing. This status is more intensive in “purely private” (tu lap/tu thuc) universities than in people-founded (dan lap) and semi-public (ban cong) universities. The main financial source of private universities depends on tuition fees. The current tuition fees range from USD200 to USD300 per student per academic year, while the tuition fee of public universities is some USD100 per student per academic year (Pham M H 1998, Pham & Gerald 2002). Under the current economic conditions in Vietnam, this tuition fee level of private sector is two times higher than that of public counterpart and beyond many students ability. This is also a challenge for the development of private institutions. The financial limitation, by large, threaten the fates of these private institutions (Lam 1995). In general, private colleges and universities are often small and face severe financial shortage, and low-quality enrolment intake. Some of those institutions have gained official recognition, while some have not. Concerning the evaluation issue, there is no fixed standard to evaluate students’ educational quality. These private institutions know very little about their own quality, their students, or their roles in the wider system of higher education. Consequently, information provision to customers is in need to be supplemented by incentives for the development of institutional-based information and quality assurance mechanisms that, with regard to their basic educational processes, help to make universities more effective learning organizations (Dill 1999).

Universities tend to rely on the results of enrolment examination as admission standards or criteria, and graduates’ quality is preliminarily assessed by the percentage of students getting jobs after graduation. They are nowadays trying to trace the employment success of their students but it is extremely difficult because they lack systematic tracers. From the international perspective, reliance on non-profit service provision and substantial government support should go together. This fact may bring both cause and effect: such support, in some cases, is necessary for private institutions to grow large; in other cases, large private institutions may be politically powerful, having potent combination of students, teachers, and entrepreneurs, to obtain government subsidies. James (1987, 407) argues that a large private sector cannot be long sustained without substantial government support. To sum up, the majority of Vietnam’s private
universities/colleges rely overwhelmingly on tuition fees for their financial sustenance. This limitation means that they can only offer instruction commensurate with what their clientele can afford. Geiger (1991) argues that tuition-dependent colleges in affluent countries like the United States may offer instruction of fairly high capacity, while the realities of such institutions in developing countries may be depressing.

4.5. Undergoing Development and Potentials

With the new brain drain within the country, private universities are assumed to lure staff from public ones. Education observers express that private universities/colleges with large investment capital under the open policies may threaten the state counterparts. It is said that the favorable conditions and promising salaries offered by private universities/colleges are attracting well-qualified and prestigious professors and teachers who are presently employed at their state-managed counterparts. For the past two years, VLU has recruited nearly 70 professors and teachers from other universities and colleges. TDTU announced the recruitment of 35 teaching positions for 19 training fields. It is also argued that strong academic staff determines the existence and development of any institution. Moreover, private universities have tried to invite professors with practical experience to work for them. Good working conditions are considered an important element in order to attract prestigious professors. Vietnam’s private universities/colleges enjoy flexible payment policy. As a result of this, they are able to design attractive salaries, allowance and bonuses which are considered as effective incentives to draw qualified professors from the state institutions to work for them. The annual salary increase is normally based on the performance of the professors.

In accordance with the new policies on financial management of higher education entities, MOET decides to give authority to five institutions. These five institutions are autonomous in managing the operating funds. HCMCOU is the first experimental entity in this mechanism. Under the new regulation issued by the Prime Minister, the advancement of the establishment, finance, and ownership of private universities are encouraged. This new regulation is based on the ministry’s plan to develop university network in order to keep up with the demand for skilled labor force. With the compulsory registered capital of at least VND15 billion (USD950,000) and basic conditions of facilities and teaching staff, the number of applications to establish private universities will increase. Deputy Minister of Education and Training - Bach Tien Long
- predicts that at least eight private universities and some colleges will be established next year\(^{10}\). Followed by the trend of other countries around the world, the project to transform the semi-public universities/colleges into private ones is undergoing and will be, hopefully, accomplished. Therefore, semi-public universities may not exist in future. Arguably, the abolishment of semi-public universities without other sources of funds may impede students of poor families from attending higher education. Additionally, the government’s incentives for the investment of private universities include land use rights, land rental fees, capital loans, tax exemption and tax reduction. Another pilot project is the self-control of the financial issues of some state-owned universities which will gain the authority to operate their own budgets without relying on the state budget. The government seeks to make a number of universities self-managed, with total or partial autonomy\(^{11}\).

Vietnam’s population is some 80 million people representing 54 ethnic minority groups scattered from north to south in different geographic areas. A centralized public educational system thus may not be sufficient for the country’s development. This status can be considered as a positive sign for the development of NPOs as tertiary institutions throughout the country, especially in rural areas. Private community colleges may function well in supplementing the state entities in satisfying the increasing demand for the region’s labor market. In addition, based on the other argumentation that nations where a dominant group seeks to impose its language or values on other, private schools may be prohibited or restricted (James 1987), I can say that there is no reason why private universities in Vietnam would be prohibited or restricted because domination and imposition of certain groups, language, or values does not happen in our country. Cultural heterogeneity is a positive sign for the private sector and can best explain the development of large private sector in future, which is, at least from my point of view, has a very good potential. Vietnam’s economic conditions and political constraints prevent the local government from satisfying this diversity. In addition, most universities are located in big cities/provinces such as Hanoi, HCMC, Danang Province, Can Tho Province, Dong Nai Province, and very few of them are based in subordinate regions. Therefore, non profit private universities/colleges may be considered a “community of interest” constituting an alternative to geographically based communities – an institutional mechanism for responding to diverse tastes that cut across geographic communities without requiring movement costs (ibid.). Potentially, the characteristics of
variety and different choices are great advantages for a system of private service provision in Vietnam. However, these advantages are not always realized.

The above discussion suggests that the development of higher education has undergone the process of privatization and quasi-market since 1988. In the present situation, the split between purchasers and providers is not as clear in Vietnam’s educational realm as it is in other western countries. Is the introduction of private universities aimed at delivering more efficient and effective public service as it is in other parts of the world? Privatization in higher education remains a new phenomenon to the Vietnamese government. Policy makers are not experienced in how to create appropriate legislative environment. This fact has caused numerous debates within the higher education community. The fact that private universities/colleges have attracted prestigious professors from the public sector only by paying high honorarium per teaching hours have damaged the interests of the public counterparts. Moreover, the procedures for quality control of degrees awarded by private sector are not clearly formulated. In sum, private higher education in Vietnam is only in the very early state of the development. The biggest issue is the lack of experience in the management, and lack of stable and proper framework.

4.6. Analysis of the Roles of Private Higher Education Sector

Before moving on to the analysis of the role of Vietnam’s private higher education, I would like to briefly review the three basic structural configurations of private higher education sectors discussed in the literature review section. Where public higher education is restricted in size and somewhat selective in intake, private sector becomes the agency for meeting the general social demand for tertiary education. This may be called “mass private sector” which usually contains the majority of the country’s enrolments. Where public and private institutions have equivalent status and functions, the two sectors may be considered “parallel”. Where the government chooses to have the public sector dominate the principal tasks of higher education, private institutions are left with only “peripheral” roles to fulfill (Geiger 1986, 2-12).

The unique patterns of historical evolution, government powers, legal arrangements, cultural fault lines, and economic development all contribute to different divisions of tasks between publicly and privately controlled institutions (ibid). Why do private sectors in higher education differ so remarkably from one country to another?
The answer, generally speaking, lies in both the pursuits of private interests and the distinctive attributes of higher education. That is, individuals have the discretion to choose where to seek their educational or professional goals among the alternatives which may be public or private institutions. Certain groups will act to guarantee their collective interests through higher education in ways which may or may not involve the public sector. Thus the public/private division in higher education represents the sum of these actions within the structural possibilities that the society permits: individual demand and preferences for higher education, the collective interests of special groups, the state provision of higher education, and the feasibility of providing private alternatives. It is useful to bear in mind that these four phenomena do not operate independently from one another. They, in some cases, co-exist or supplement one another.

Does Vietnam’s Private Higher Education Reach “Mass” Level?

The reality shows that Vietnam’s higher education is undergoing the trade-off between quality and quantity. Although the extent of this trade-off is, at the moment, not very intense, the notion is increasingly perceived among providers and consumers. If this situation is not improved, it will cause inflation of educational credentials that may threaten the value of college degrees. The calculation prevails that Vietnam’s private higher education is too far from reaching the mass level because it accommodates only 10.4% of the total students for academic year 2004/05 (Edu.net.vn). So it may not function as demand-absorbing entity because its supply is not higher than what the state sector is willing or able to provide. However, the problems such as inadequate resources, part-time and invited staff, and especially low training standards are apparently perceived by the government, institutions themselves, as well as students. Mass private sectors in anywhere else face a crucial policy dilemma: whether low-quality higher education is preferable to no higher education for large numbers of students. Yet, some people argue that poor-quality instruction may have utility for individuals and for society. For example, mass private sector in the Philippines produced 54 percent of the graduate of the country’s teachers at the end of the 1960s (Geiger 1986). Therefore, it would be difficult to argue that fewer would have been better.

The diversity which is regarded as the attribute of a vital private sector (ibid, 71) is, to little extent, reflected in Vietnam’s private sector with new disciplines responsive to
the social need of the labor market. Such new disciplines as Information Technology, telecommunication, business administration, foreign languages, and labor safety mostly offered by private higher education sector are considered the behavioral responses to the market. In the long run, these disciplines may stimulate innovation because they are becoming more and more important in the market-oriented economy. This innovation is a good step forward in industrialization and modernization. Unfortunately, diversity and innovation are, arguably, inhibited when private institutions are responsible for the bulk of a nation’s higher education (ibid).

Vietnam is considerably rich in culture, traditions and religions, but these cultural and religious orientations seem not to enroot in its educational formation. It is arguable that there always exists a considerable degree of superficial variety, and it is accompanied by less functional diversity than would otherwise be expected. This may explain the fact that Vietnam’s fifty-four different ethnic minority groups with their own languages, cultures and traditions tend to integrate by conforming themselves to the values of the biggest segment of the society. Strictly speaking, pluralism may or may not play an important role in mass private sector (ibid, 72). Then there must be other significant characteristics of mass private sector.

In Vietnam, students who secure places at top and prestigious universities (mostly public institutions) are believed to have excellent chance for high-status careers; while for those who study in undistinguished ones (mostly private ones) have less apparent chances. In practice, the real competition for success in seeking jobs will somehow lie in the world of work. Unlike in the Philippines where private institutions benefit the good quality of these privileged secondary schools (ibid), the selective secondary schools which have already existed for long time in Vietnam are considered as distinguished customers for the elite and prestigious public universities, rather than private ones. This reality does not identify the value of the wide opportunities of private sector in Vietnam. Thus it does not, in all extent, exemplify the mass private sector model.

Geiger (1991) argues that the hierarchical structures - prominent and inherent feature of mass private sectors - may prevent the private sector from performing its rationale missions because the opportunities may be inequitably distributed to private institutions. I would agree with him on this point by explaining that Vietnam’s flagship institutions belong to the national system, and below the flagship national universities are both other mediocre national institutions and private ones. In such cases, the private sector merely reflects social conditions instead of affecting them. The oldest private
university of Thang Long has not obtained much prestige compared with the public counterparts of the national system. Moreover, the credentials awarded by Vietnam’s private sector have proved a cruel disappointment for some employers, but for other employers, they may accept the situation of respectable semi-professional employees. Generally, the disciplines and fields taught in private universities/colleges are also offered by public universities/colleges, just a few disciplines offered by private institutions are unique and never before found in their public counterparts.

Although Vietnam’s private higher education sector carries such fundamental characteristics of mass private sector, being tuition-dependent, and market-oriented (ibid, 73-74), I am totally unconvinced about the perception that Vietnam’s private higher education has played a mass role. Strictly speaking, “mass” here is a multi-dimension factor which is determined not only by the functions fulfilled but also by the political and socio-economical status as a whole. Therefore, it is worthwhile to consider the relationship between the state and mass private sector. It is argued that the state inevitably plays a significant role in the existence of mass private sectors (Geiger 1991). The establishment of private universities and colleges and the spurts of rapid growth in the private sector are obviously attached to the policy decisions. It may be necessary to guide these institutions to meet the demand for higher education. However, the problems engendered by such significant role of the state continually trigger reactions in which restrictions are placed on the founding of new institutions. This stop-and-go approach has existed and been evident in Brazil (Geiger 1986). Vietnam has not experienced this situation yet. Vietnamese government presently encourages the non-governmental entities and individuals to invest in higher education on the basis of people-founded and private universities and colleges.

If we take a closer look into the private higher education sector in Vietnam, we may find that private universities/colleges were created to absorb the unmet demand left by the state universities/colleges, but the proportion is quite small around 10.4% percent of the total number of enrolled university/college students in the academic year 2004/05 (Edu.net.vn). The tuition fee at private universities is higher than that of the state ones (Pham M H 1998, Pham & Gerald 2002); whereas the quality of the former is proved to be lower than that of the latter. Moreover, the student selectivity is not clearly illustrated in private institutions in Vietnam because those who enroll at private sector failed the entrance examination at the public sector. The entrance requirement of private universities/colleges is less demanding than that in the state ones. It seems that there is a
contradiction within the system itself. All the above argumentations show that mass level cannot be attributed to Vietnam’s private higher education. It must be something else rather than mass private sector.

**Does Vietnam’s Private Sector Develop in Parallel with Public Sector?**

Referring to the literature review in section 3.2 – Parallel Private and Public Sectors, Vietnam’s private higher education is not considered to play the parallel role with the public sector for it does not demonstrate the inherent characteristics in the model itself. First, the cultural groups are underrepresented in the society. This also explains that the differentiated demand is not illustrated in education formation. Second, the country's university degrees are not based on a single high national standard. That is partly because of the information asymmetry, and partly because of the ideology which keeps the public sector dominant in higher education realm. Third, the government does not extensively subsidize the private sector in order to equalize the conditions with the public sector.

In practice, there are always different interest groups who seek certain objectives by sponsoring specialized institutions. And these institutions function to serve the community interests. This development is, however, still at its early stage that it cannot demonstrate the nature of the parallel paradigm. Although the government guarantees a great freedom for private institutions, private institutions may not develop in parallel with public sector without regular and sufficient subsidies from the government. Huge government intervention in terms of finance implies more capital expenditures for private institutions including the creation of new campus, facilities for modern medical and natural sciences. In effect, Vietnamese government does not subsidize private institutions because the state is not able to provide extraordinary capital expenditures for them. This is also the reason why most private institutions tend to offer courses in humanities and social sciences, leaving natural sciences to the national system. The information asymmetry does not create the recognition of the provision of private institutions as public service, causing untrustworthiness among customers. All these traits impede student choices, and adaptive innovation of the private institutions, which restrains them from being responsive to social and economic development.

To sum sup, laissez-faire policy for private institutions lead to inefficiency without huge and regular government subsidies. Information asymmetry and lack of consistent
national degree system will be challenges that hinder the private sector from developing in parallel with the public sector.

**Vietnam’s Peripheral Private Higher Education Sector**

The first characteristic of peripheral model of private higher education sector is the institutional finance shortage (Geiger 1986, 157). Vietnam’s private sector is facing the same problem. The question of how this problem is solved depends on several factors. Public subsidies, voluntary support, or internal efficiency in operations would be some of the solutions for the financial shortage. In order to survive in this cruel situation of financial problem, Vietnam’s private sector is trying to seek the external sources through contracts with private enterprises. Within these contracts, the institutions play a role in training the cadres of these enterprises in such fields as foreign languages, informatics, accounting and business administration skills. In other cases, the institutions may raise the tuition fees, but this strategy is not likely to be feasible. Some other privates search for cooperation with other organizations both domestic and international. These inherent financial limitations generally prevent peripheral private institutions from some of the more costly tasks of higher education. Thus research activities are hardly found in peripheral private institutions. Instead, these research activities are mostly conducted by dominant public sector. Only just a few private institutions can afford research projects in certain fields. And most research activities in these cases are likely to be in the social sciences or humanities, very scarcely in medicine or natural sciences.

The second characteristic of Vietnam’s private higher education is obviously the tendency toward market segmentation rather than open competition with the dominant public sector (ibid, 158). In reality, the duplication of function is inevitable, but these private institutions manage to develop a special niche for themselves where they are protected from direct competition with the state sector. Dominant public sector generally concentrates on the university component of higher education; whereas, the most fertile soil for peripheral private sector is found among what are sometimes regarded as non-university functions. These include tourism and hospitality, foreign languages, martial arts, Pacific-Asian studies, computer science, and industrial fine-arts. These subjects are rather modern and appropriate within the modernization tendency of the country. The programs for these disciplines tend to be short, practical, and specially focused, targeting the working class to improve their quality of life or anyone who desires to continue
higher education studies. Ideally, this realm of higher education should be dynamic and market-sensitive. Performing these functions under private control, at least from my viewpoint, helps to assure market responsiveness.

Additionally, Vietnam’s private higher education also make their contributions in other areas, aiming at fulfilling some indispensable functions ignored by the public dominant institutions such as vocational or in-service programs. For instance, some private institutions are more flexible in offering these subjects which are targeted at implementing a labor-oriented training policy. Among these subjects are civil and industrial electricity, electronics, garment technique, fashion design, automatics, and accounting (see Table 1 & 2). These programs are often shorter, more intensive and practical in course contents. These courses may be offered in evening classes or on a week-end basis providing that students are assured to attend and obtain all the compulsory credits required by the universities. Having a part of these functions under private control may assure needed changes and responsiveness, thereby contributing to the diversity and adaptability of the system as a whole. This character is also very important in industrialization trend of the country.

Higher education as a whole constitutes a complex interpenetration of public and private interests. Private institutions provide a valuable supplement to dominant public institutions because they serve the legitimate, collective, private ends of their sponsors. As long as those sponsors remain members in good standing of the national polity, that role constitutes the essence of public service for these private institutions.

Theoretically, Vietnam’s private sector functions on the basic theory of “contract failure and information asymmetries” because the inspiration of establishing the first private university of Thang Long from its very beginning was based on the rationale of poor academic standards of the country’s universities and because it was expected to provide an education of better quality than the present national product. The initial ideology of private sector’s function is, in reality, distorted in its operation. The fact that students who do not pass the national entrance examination enroll in private universities more or less reflects this distortion. In addition, inviting teaching staff to private universities clearly proves that it is not likely for them to obtain their initial ideology. State universities still hold higher trustworthiness than private entities do.

Another controversial issue which needs to be reconsidered here is whether private institutions are able to retain their characteristic of non-profit theory. Financial shortage, poor academic staff, poor-quality intake have seriously threatened the fate of private
universities. In such an extreme condition, non-profit based private universities may impede the owners from further investment. The situation then becomes worse.

The government clearly states in Article 36 of decision No.14/2005/QD-TTg that the net profit can be distributed to the owner/owners of the institutions, the characteristic of non-profit ideology will then disappear, which is in contrast to the non-profit ideology of the first private university of Thang Long. Some may argue that this statement might be just aimed at promoting the investment in private universities; but unfortunately this action harms the institutions in terms of graduate quality because the behavior of the institutions is influenced by the form of the institutions. If the profit is distributed to the patron/patrons, it is very likely that the patron/patrons will take advantages and offer low-quality service than what is expected in order to gain more profit. Therefore, the non-distribution trait does play a central role in NPOs. If private universities in Vietnam do not work on a non-profit distribution ideology, they will gradually transform into the profit-maximizing institutions, which on the one hand negatively influences the quality of graduates, and on the other hand loses the non-profit philosophy.

The excess demand rather than differentiated demand in Vietnam explains the private universities’ function as a response to government failure because some people try to satisfy the “leftover” of the government’s median voter. It is then clear that higher education is not public goods; but rather it becomes quasi-public goods. I would agree with James (1987, 404) on the argument that where education is characterized by huge excess demand, we do indeed find many ordinary profit-maximizing private schools. The ongoing economic development in Vietnam will surely demand more human capital for labor market, which causes huge excess demand of higher education.

The present development in private higher education is driving the private institutions to the edge of profit-maximizing trait. Just imagine in the near future where the excess demand for higher education becomes huge enough, the non-profit characteristic of private institutions will, consequently, totally vanish, being replaced by profit-maximizing model, which fails the nature of NPOs. This argumentation more or less represents Holttas’s (1990) argument that only in very exceptional situations huge excess demand is true with the rational that private universities are established on the basis of non-profit ideology. He adds that in the absence of the profit motivation the providers of entrepreneurship and capital have traditionally been the Church and ideological organizations. Under the condition in Vietnam where religious and
ideological organizations are not deeply enrooted in education formation, private universities probably lose some places for their development.
CHAPTER 5: PRIVATE HIGHER EDUCATION SECTOR IN THE MODERNIZATION AND INDUSTRIALIZATION TRENDS

The process of industrialization means a process of essential and comprehensive changes taking place in economic and social activities from being based mainly on handicraft into a well-trained labor force using advanced technology and modern productive tools. The process of modernization will turn Vietnam’s society into a modern and civilized one with advanced and strong national identity. That society will demonstrate universal values in which living standards of great number of people will be improved materially and educationally. In the face of vigorous changes in social economics, economical structure, cultural and spiritual life, and the development of science and technology, it is clear that there will be new and increasing demands to be met by the country’s higher education in terms of student number, training quality, teaching staff training, and effectiveness. The role played by resources and investment capital with large scale production has been being reduced, while the role played by the intellectual circles has been rapidly strengthened. People have, noticeably, become the most valuable resource in the twenty first century; therefore, fostering talented people has become the task of Vietnam’s education in general and of higher education in particular so as to meet the demands and trend of the country’s social development on the path to industrialization and modernization. It is predicted that Vietnam’s higher education is capable to adjust itself to the changes in technology, and in economic structure. The ten year socio-economic development strategy (2001-2010) for Vietnam has been defined. Its overall goals are:

- To bring Vietnam out of underdevelopment, improve markedly the material, cultural and spiritual life of its people; and lay the foundations for making Vietnam basically a modern-oriented industrialized country by 2020.
- To ensure that human resources, scientific and technological capacity, infrastructure, and economic, defense and security potentials are enhanced; the institutions of a socialist-oriented market economy are basically established; and the status of our country in the international arena is heightened.
The demand for post-secondary education has rapidly increased, while the financial resource for state universities/colleges is limited. Therefore, the government is not able to satisfy that increasing demand for higher education in order to catch up with the socio-economic needs on the path to the modernization and industrialization process. In such circumstances, the emergence of a private sector is not a surprise, rather a consequence. Private higher education may be considered as an important and effective engine to help the state system in satisfying the demands brought by the industrialization and modernization process. However, it is not an easy task for private universities to fulfill. Besides the opportunities that may exist, there are obviously challenges for them. The following section will engage in the opportunities and challenges of the private universities in industrialization and modernization process.

What is the role of higher education in a modern-oriented industrialized society? This issue can be viewed from different perspectives. Two central viewpoints are the purist “education for the sake of education” (giao duc vi giao duc), and the materialist “education for the sake of human material welfare” (giao duc vi nhan sinh) (Tran N B 2003). Each point of view carries its own values which are attached to the corresponding missions. Roughly speaking, under the purist approach, educational attainment, with its intrinsic, aesthetic and intellectual values, is an end in itself; whereas, under the materialist approach, educational attainment is not an end in itself, but merely a means to accumulate human capital – an essential factor of production. In a modern-oriented industrialized society, I found out that the important task that higher education has to fulfill is the sustainable development. The challenge here is how private higher education can simultaneously ensure these two values of education. Needless to say, a midway approach would be appropriate because it creates the balance of the two extremes. In other words, the moderate combination of the two approaches would be a desirable way to ensure these values.

Another question is how to make education a tool in serving an economy to generate sustainable growth in aggregate output. It is acknowledged that, while the economy may fluctuate in the short run, the country’s economic long-term growth potentials depend ultimately on how the country utilizes its four factors of production: human, physical, natural and social capital. Education in general and higher education in particular has been considered as a means to accumulate human capital which in turns fosters sustained increase in aggregate output. Higher education is also expected to promote sustainable development in terms of equity. In a market economy and especially
in industrialization and modernization trend, an increase in labor productivity is very remarkable, which indicates the education attainment of the citizens. The values of higher education apparently bring internal benefits captured by individuals and external benefits to the society as a whole. These benefits are attached to economic, cultural and political aspects, which may increase the level of the challenge toward private higher education institutions. Below are some rationales for the above argumentations (ibid):

- Educated workers use physical capital better than less educated workers; thus they tend to increase the average productivity of their co-workers.
- Government will benefit an incremental proportion of highly-educated workers’ income as tax revenues.
- Education attainment is seen to improve quality of life, thus life expectancy.
- Education increases the understanding of the issues within the environment in which the citizens are living such as process of economic development, social and political undergoing/happenings.

Especially, tertiary education is usually associated with research, discovery and invention activities, which are increasingly considered as the main engines of output growth. These are targeted at the market-oriented economy and, of course, and at industrialized and modern society. Research should be seriously seen and treated as investment in aggregate knowledge because it may bring new products/methods in production, organization, and management and administration domains. These new products/methods will, to some extent, increase social welfare and accelerate the economic growth and technological development. It is argued that higher education also serves as a forum for debates on pluralistic changes and development. Private higher education is a part of higher education system of the country; therefore, private institutions obviously share the same missions/tasks. To sum up, human capital which is essentially needed in modernized and industrialized society functions to increase labor force and modern knowledge for the country.

A common phenomenon within private universities is that they try to produce as many graduates as possible, while ignoring the concern of how much their “products” are able to apply the acquired knowledge in working places. This is also another challenge for private universities especially at a time of industrialization and modernization. At this point, the following considerations may, at least from my point of view, function as reminders for private universities within the present status of economic and social development:
• Higher education access rate should be targeted at mass level, not elite level any more;
• Winning international competitions in certain disciplines or fields, though morale boosting, should not be considered to be indicative in its sense;
• The excess number of under-standards qualifications is not an indicator of a skilled-labor force, rather the failure of the actions.

From an economic perspective, education is a preparation for future labor; therefore, the spending on education is not consumption, instead it should be treated as investment in human resource. Advanced degrees, especially research degrees are important investment in human capital that requires a return in the form of decent salaries (Geiger 1986, 73). Another challenge is that faculty ties to their institution far outweigh the bonds that theoretically connect them with colleagues in their discipline or a larger academic community. In reality, academic quality cannot be achieved without ample discretionary funds, nor simply purchased even when such funds are available. It takes time as well as resources to develop the infrastructure of values, habits and institutions upon which academic standards are improved since the most serious impediments to enhancing quality lie within this infrastructure rather than within the level of expenditure. Nobody denies that more resources would bring some immediate improvements despite the existence of similar basic weakness in academic life.

The location of university causes inequity among rural and urban areas throughout the country. This inequity becomes more noticeable and controversial in the renovation policy of economy when it comes to the privatization of higher education. Most universities, both public and private, are located in big cities; while a few are found in individual regions or villages. In order to radically foster sustainable development, the issue of relocation of universities/colleges needs to be reconsidered. Advisably, we need more community colleges in order to serve the local social needs. These colleges are expected to offer professional disciplines applicable in the economic development in the region by offering all kinds of courses including full-time, part-time, and night-school programs. With this strategy, more rural students have a chance to continue their higher education in their community. It obviously costs these students less to attend community universities/colleges near their home. The cost reduction means benefit augmentation for the society as a whole. This may be, at least from my viewpoint, a fertile market for private higher education sector. All in all, higher education is assuming an increasingly important role in placing people in the occupational structure and, thus, in determining
their class positions and life chances. The tremendous growth of occupations both reflects and further stimulates the increase in college and university enrolments.
CHAPTER 6: CONCLUSION

The choice of methodological framework provides me with the appropriate support in my analysis. Qualitative method helps me understand the social phenomena of Vietnam’s private higher education. Based on the theories of non-profit organizations, theories of demand and supply, theoretical framework and collected data such as reports and documents, I have analyzed the situation of Vietnam’s private higher education. The complex phenomenon is, then, well described and explored. The research questions have successively been addressed.

(1) To what extent do private universities satisfy the social needs of the market-oriented economy?

(2) What are the challenges and opportunities of private universities on way to modernization and industrialization?

(3) How do private universities respond?

(4) How has the government reacted?

Based on these careful analyses of collected data, I have figured out the role of private higher education in the market-oriented economy under the country’s renovation policy. The following are my findings and suggestions concerning private higher education in Vietnam.

It seems that tertiary educational services provided by private sector are more likely to be private goods because services are privately produced by individual persons, paid by each individual, and benefit individuals. I totally agree that the society benefits private tertiary education as well, but the hidden motivation actually lies in the individual rather than in social benefits. However, private benefits do not overstate social benefits. Consequently, private sector is supposed to develop to add to efficiency of country’s higher education system.

In the situation of excess demand for post-secondary education, Vietnam’s peripheral private higher education is now considered as an agent of higher education that the government uses to satisfy the demand that is unmet by public sector. Vietnam’s peripheral private higher education sector is becoming larger. However, private sector is not an alternative of the public sector because private institutions are rationally established to satisfy the needs created by the socio-economic developments in market mechanisms. They are targeted at non-academic orientation. This characteristic promotes
the responsiveness to the oriented-market development. As a consequence, the evaluation of private institutions may be the success in placing graduates in the labor market rather than academic achievement. However, non-academic orientation does not imply low quality of training; instead, it refers to the production of qualified human capital for the country’s development. Since private higher education institutions are established to serve labor market in a market-oriented economy, their connections with academic profession and especially with community research activities are weak.

Quality assurance is found to be of vital importance in Vietnam where market forces and encouragement of private providers exist, because there are concerns about possibility of quality being sacrificed in the search for profits of private institutions. This sacrifice might become insurmountable if the government does not reconstruct the framework of the private higher education sector. It seems that the government promotes the existence of these private institutions but forsakes them. For example, the state creates no proper legislative framework for them. Degrees granted by private universities are not equally recognized by employers in the labor market. Trustworthy information regarding quality assessment is absent.

Economic modernization in Vietnam has not only fostered the growth of a market economy but also created a structural change in education. Thanks to the flourishing market economy and the policy of decentralization, Vietnam has started shifting from state monopoly to a mixed economy of education, allowing far more flexibility and diversity in the delivery of education services. Vietnam’s private institutions are not created to compete with their public counterparts. The competition is, however, an inevitable element in market mechanisms. The prestigious public universities always attract the best students, research funds, and academic staff, while the peripheral private institutions seldom play an active role in these matters. Most students attending private higher education are those who are not qualified to pass the national entrance examination, so private universities and colleges become their second choice. Just a small number of students choose to go to private universities because they cannot find their preferences/tastes in the public sector.

Admittedly, focusing curricula towards a more practical orientation and emphasizing the importance of vocational training may help private higher education institutions become more responsive to market needs. I find that the reliance on student fees in these private institutions implies a serious menace for their survival because the fees may be beyond the financial capacity of students and their families. If any private
institutions focus on subjects in natural sciences, then the financial problem becomes more intense because the research and instruction costs of these subjects are very high. Therefore, creating a situation in which the tuition fee increase must be accompanied by additional student aid in order to avoid the diminishing of the recruitment pool.

The nature of the government regulation toward private higher education in Vietnam indicates that the level of government intervention is minimal; that is, the government interference is to strengthen the self-regulating capacity of the private sector. Decisions are individualized, except for the state as “night-watchman”. The autonomy of private universities and colleges is implied in their ability to survive. Changes in these institutions depend on the rate of stability or change in the environment. Criteria for assessing these private institutions are diversity and innovation in education services, survival in market mechanism, trustworthiness in their degrees, and responsiveness to the socio-economic demands. All these conditions imply a change of the relationship between the state and private institutions: the supervision state. However, the state does not totally step back from its tasks. In effect, we have a government-regulated higher education system with some emerging market-like characteristics in relation to private higher education sector.

Vietnam’s private higher education is not a determinative form; rather its nature and consequences are relative to the national system in which it is embedded. Private institutions generally tend to be more focused than their public counterparts on specific tasks; and they furthermore tend to draw private support from the sub-sectors of the society toward which they are oriented. We indeed need private sector, but it would not be wise to lay great emphasis on privatization by itself even though it appears to be vital and viable in societies in which both public and private authorities recognize its contribution to the overall provision of higher education.

The non-profit nature of private institutions because non-profit theory provides the framework for understanding how these private institutions balance their two requirements: producing value, rather than profit in the marketplace (Massy 2004). Private non-profit institutions are required to retain their non-distribution trait in producing products, and to be responsive to the labor market. The fact that the surplus profits are legally distributed to the owners, shareholders and/or trustees causes the question of product quality because the non-distribution trait affects the role and behavior of these institutions. Quality of products affects trustworthiness of private non-profit organization. And the trust in their products determines their survival within
competitive market mechanisms. When quality is difficult to evaluate, buyers have to rely on the suppliers to create value for money on their behalf rather than in the interest of the owners who may line their pockets by producing less than expected.

In short, non-profit status plays the role as a guard to protect the owners of private institutions from taking advantage of surplus profit because the owners are constrained in their ability to benefit personally from providing less service than promised. This issue requires the reconsiderations about the ideology/philosophy upon which private universities and colleges are created. Government, policy-makers and private institutions themselves are supposed to reconsider the development strategy for private higher education in Vietnam. Appropriate legislative framework may be needed, or at least modifications of the present framework need to be clarified, modified and implemented.

I have the final suggestions that the non-profit form with pubic finance and private production might be the best choice for the privatization of education in Vietnam for many reasons. First, non-profit status may assure the government that the government’s subsidies will indeed be used to increase inputs, which is illustrated in the theories of NPOs. Second, public finance may protect the institutions from financial shortage, which reduces the risks of trade-off between quality and quantity and helps the institutions be more active in research activities and more responsible to the changing social needs of the economic development. Adversely, if the country allows private for-profit institutions to perform on the profit-maximizing basis, it means that the country accepts the risks of trade-off between the quantity and quality.
Notes

Chapter 1

1. Thang Long Capital - currently Hanoi Capital - Thang Long was renamed Hanoi in 1831.
2. The Ly Dynasty (1009-1225). When the Ly Dynasty began, more attention was given to education, which became concentrated at the Capital Thang Long (present day Hanoi) (Pham M H 1995, 41-61).
3. The Tran dynasty (1225-1400). Under the Tran dynasty, Vietnam prospered and flourished as the Tran rulers carried out extensive land reform, improved public administration, and encouraged the study of Chinese literature. The Tran, however, was well-known for their defense of the country against the Mongols and the Cham. (http://countrystudies.us/vietnam/9.htm)

Chapter 2

1. Failure of contractual arrangements in the for-profit sector. The theory suggests, in essence, that non-profits arise when ordinary contractual mechanisms do not provide consumers with adequate means to police producers; it has been termed “contract failure” theory of the role of nonprofits (Hansmann 1980). The emphasis of the text here is on the role of the non-distribution constraint as a direct bar to opportunistic conduct on the part of a non-profit’s manager.
2. Quasi-public goods - that is goods that yield both public and private benefits (James 1987, 397)
4. GCOP is a Ministerial Equivalent Agency functionalizing state management on organizational structure of the state machinery, administrative civil servants, establishment of mass associations and non-governmental organizations, demarcation of administrative territories and national documents archiving operations (Socialist Republic of Vietnam, 194)
5. Decision No.14/2005/QD-TTg on January 17, 2005, was promulgated by the Prime Minister - “Quyet Dinh Cua Thu Tuong Chi Phu – Ve viec ban hanh Quy Che To Chuc va Hoat Dong Cua Truong Dai Hoc Tu Thuc”

Chapter 4

1. “Knowledge……” World Development Report 1998/99 described two broad categories of knowledge into which specific forms of knowledge fall: technical knowledge (know-how), and knowledge about attributes (information and awareness that permit analysis and decision-making).
2. Doi Moi Policy is a profound socio-economic policy which has taken root since the 6th Congress of the Communist Party of Vietnam (CPV). The term Doi Moi in Vietnamese literally means “Renovation” and refers to the process and consequences of pursuing an open-market orientation while maintaining the principles of socialism as interpreted by the CPV. The decisions made at the 6th Congress marked a policy watershed with the directional flow shifting from a command economy prescribed in accordance with centralized planning mechanisms with state regulation. (Sloper & Le 1995, 3)
3. Vietnam Fatherland Front, founded in 1955 by the initiation of the Communist party of Vietnam. It is a broad alliance and voluntary federation of socio-political organizations. Its goal is to unite all third-sector organizations for socio-economic development of the country.


6. Green Summer Campaign. It involves in a series of nationwide social and charity activities performed by youth volunteers from June 1 to August 31 each year. Its targets are set up for every year. For example, Green Summer Campaign 2005 are aimed at reducing hunger and poverty; implementing social and charity works; promoting awareness of traffic laws and safety; and conducting cultural and educational activities and computer training for children.

7. TIFO News No.12, 2002. The Toshiba International Foundation


11. Thanh Nien News – Semi-private high schools and universities in Vietnam are to become private as part of efforts to boost investment in education, a seminar in Ho Chi Minh (August 24, 2005).

**Chapter 5**


2. “Sustainable development” is a vague term. A widely quoted definition by the World Commission on Environment and Development (1987:42) is as follows: Sustainable development is development that meets the needs of the present without compromising the ability of the future generations to meet their own need. The Organization for Economics Cooperation and Development (OECD 2003) paraphrases as follows: Sustainable development is a development path along which the maximizations of human well-being for today’s generations does not lead to declines in future well-being.

3. Human, physical, natural and social capital. For my paper is about education and human resources, I will not explain physical and natural capital; rather I will emphasis human and social capital. Social capital/social capability represents a set of any intangible elements that reduce transaction costs and thus help markets operate more smoothly. Human capital can be accumulated through three major ways: education, training, and working experience.
List of web links

Thang Long University http://thanglong.edu.vn/
Hanoi Open University http://www.dhm-hnou.edu.vn/
Hanoi University of Business and Management http://www.hubm.edu.vn/
Hai Phong University http://www.hpu.edu.vn/
HUFLIT http://huflit.edu.vn/
Van Lang University http://www.dhdlvanlang.edu.vn/default.aspx
HUTECH http://www.hutech.edu.vn/
Hung Vuong University http://www.hungvuongtech.edu.vn/
Hong Bang University http://www.hongbang-univ.edu.vn/
Ton Duc Thang University http://www.tut.edu.vn/
Van Hien University http://portal.daihocvanhien.edu.vn/
HCMC Open University http://www.ou.edu.vn/
Duy Tan University http://www.dtu.edu.vn/
Lac Hong University http://www.lhu.edu.vn/
Van Hien University http://portal.daihocvanhien.edu.vn/

Vietnam Law and Legal Forum
http://news.vnanet.vn/vietnamlaw/

Vietnam News

Education Law

Higher Education System in Vietnam
http://www.wes.org/ewenr/00may/feature.htm

Center for International Higher Education
http://www.bc.edu/bc_org/avp/soe/cihe/newsletter/

Socio-Economic Development Strategy
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