

Vietnam: Public–Private Higher Education Debates in a Communist State

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Abstract

With private higher education emerging in the late 1980s and challenging the public monopoly that had long been the norm in Vietnam, debates arise. Apart from debates common in other countries, such as those related to access, quality, equity, and profit, public–private debates in the Vietnamese case also occur along the line of political correctness, and indirectly reveal policy makers' limited understanding of, and inexperience with the private sector.

Private higher education (PHE) in Vietnam emerged from the state's political and economic reform called *Đổi Mới*, which was initiated in 1986. The adaptation of the market economy gradually penetrated into higher education and indirectly helped PHE to emerge. Initially, the state's regulations for PHE were highly interventionist, but generally spontaneous—largely due to the state's inexperience with the sector. Since the mid-2000s, these regulations have been continuously consolidated and institutionalized, and PHE (currently counting 65 universities and over 260,000 students) is an integral part of the national higher education system. Yet, private universities continue to claim that they are treated unfavorably compared to their public counterparts.

Public–Private Sectors: Complement or Competition?

In general, discrepancies between the public and private sectors (intersectoral distinctiveness) are key to understanding debates about Vietnam's PHE. During the early years of PHE, intersectoral distinctiveness was remarkable: Private universities were generally considered *the* avenue for less academically competent students. To enter private universities, students only needed to get the baseline score in the nationally administered entrance exam. That score was set by the ministry of education & training (MOET) for quality assurance purposes. In contrast, public universities were highly selective: The acceptance ratio was extremely low, and the admission score was generally far above the baseline. Furthermore, most faculty members at private universities were adjunct, while faculty at public universities held tenured positions. In sum, while most supporting arguments for PHE centered on access, the sector was simultaneously vulnerable to quality criticism.

Since the mid-2000s, when intersectoral distinctiveness started to decline, competition between the two sectors has increased. Public universities were established in many provinces, including economically peripheral ones, usually from upgrading existing colleges that delivered short-cycle tertiary education programs. These universities focused largely on offering low-investment programs and enrolled students who were academically less competent than those at traditional public institutions. This expansion policy raised numerous debates. Faced with direct competition from new public universities, private university administrators argued that the state should concentrate their investment on improving the quality of “key” programs benefiting the larger population, such as medical education, engineering, biological technology—while leaving other programs to private universities. This argument was, however, thwarted by provincial governments claiming that new public universities would contribute enormously to the provincial economy. Eventually, as public universities were established one after another in many provinces, they attracted students who would otherwise migrate to major cities and enroll in private universities. As a result, enrollment dropped at many private universities, which faced serious financial crises.

The recent involvement of private corporations in PHE has, however, significantly revived the sector. Several private universities are now owned by multisector corporations, and from acquiring many private universities, education conglomerates have also evolved. Some corporation-affiliated universities have opened capital-intensive programs, attracting high-performing students, and have therefore become a counterbalance to major public universities. In general, PHE is believed to have indirectly forced the public sector to innovate and operate more effectively. There is now a flow

of senior faculty members and staff leaving public universities to work at private universities, because the latter not only pay higher salaries, but also allow more space for experiments, innovations, and entrepreneurial spirit.

Equity and Inclusion: An Attack on the Public Sector

Unlike in many other countries, questions of equity and inclusion have not yet played out significantly in Vietnam's PHE. There is general support for meritocracy in the Vietnamese tradition: It is considered fair that less competent students, regardless of social background, study at lower-tier universities, which are often private and charge high tuition. However, public universities have recently become subject to equity and inclusion criticism. As a part of the public administration reform initiated in the mid-2010s, major public universities have been encouraged to become financially autonomous from state funding, in exchange for greater decision-making authority in select aspects. Consequently, tuition fees at these universities have rapidly increased and are now affordable mostly to affluent students.

Private Higher Education and Political Correctness

Since private education was originally considered antithetical to the Communist ideology, policies regulating nonstate actors' involvement in education development have evolved through tremendous ambiguities and sharp discontinuities (see also my article [Vietnam, The Unique Case of For-Profit Monopoly](#), IHE # 103). The socialization (*xã hội hóa*) policy first announced in the late 1990s sought both to encourage the participation of private actors in funding and governing public education institutions, and to promote the PHE sector. However, this soon turned out to be largely a cost-sharing policy: Private actors, especially parents, were called in only to help share the state's financial burden—while governance decisions remained in the state's hands. Regarding PHE, the Communist Party of Vietnam (CPV) on one hand legalized the sector, but on the other hand refused to recognize higher education as a market, and explicitly opposed the commercialization of higher education. However, after Vietnam's accession to the World Trade Organization (in 2006), which coincided with a top leadership reshuffle of the CPV, policy orientations on PHE tended to reverse. All private universities were mandated to convert to for-profit corporate status and run entirely as businesses. In parallel, the government also proposed (but this was later rejected by top CPV leaders) that public universities be equitized and run as joint-stock enterprises. One reason for these policy proposals was that some senior policy makers seemed to misunderstand "corporatization"—then a buzzword among higher education communities in East and Southeast Asia, which essentially called for greater institutional autonomy—as "to be run as a business corporation." Furthermore, since most policy makers were previously trained in the Soviet Union, where the nonprofit sector was practically nonexistent, they tended to have only a partial perception of the private sector. For them, "private" meant for-profit businesses. Consequently, the profit-making nature of most Vietnamese private universities is considered legitimate, and does not receive extensive criticism.

Currently, with nonprofit PHE recently legalized, one could expect intersectoral distinctiveness to decline further, and public-private debates to de-escalate. However, whether a truly nonprofit sector will eventually emerge remains an open question. After all, higher education is not shielded from the country's political economy, and Vietnam's political economy contains so many unknowns. ▲

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