

tives will be funded. The proposed growth of the system will place a huge strain on Vietnam's public finances, even if, as is proposed, much of the growth takes place in the private sector and is paid for entirely by tuition fees, supplemented by land grants and taxation concessions from the state. Even this prospect raises further questions: how are so many students going to afford private higher education? what baseline standards of quality will be applied to the private sector? what is the intended balance between "for-profit" and "not-for-profit" providers?

Another notable feature of the agenda is the lack of a sense of priority regarding of the objectives to be achieved by 2020. It is of concern that quality assurance and institutional accreditation, for example, are not close to the top of a priority list for the system. The experience of other countries in the region should be enough to alert Vietnam to the importance of strict institutional accreditation processes during a phase of rapid expansion, especially one that relies heavily on growth in the private sector.

Finally, it is difficult to see how Vietnam will achieve institutional autonomy in the higher education system, given the relative lack of an effective governance infrastructure across the system, and given also the precarious position of university rectors, whose authority it seems will remain forever circumscribed by Communist Party policies and processes and a state disposition to govern by means of tight regulatory control. Vietnam is not lacking in energy and commitment. Its 2020 vision for higher education may, however, be a case of trying to do too much, too quickly. ■

US Institutions Find Fertile Ground in Vietnam's Expanding Higher Education Market

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Unscrupulous companies often make unsubstantiated and sometimes false claims about their products and tend to prefer uninformed consumers. Conversely, reputable ones provide accurate information and call on their customers to educate themselves about what they are selling—even encouraging them to engage in comparison shopping. In fact, one well-

known US discount clothing company has adopted this concept as its slogan: "An Educated Consumer Is Our Best Customer."

Unfortunately, in the borderless world of international higher education, many institutions prefer that the whole truth not be known about the circumstances under which they were established and the nature and quality of the programs they offer. This goal is much easier to achieve once they begin operating in a foreign country. In a sense, these institutions are preying on "uneducated consumers" (students and parents) who yearn for the quality and prestige of a US education and degree at an affordable price.

VIETNAM'S HIGHER EDUCATION MARKET

In Vietnam, the "education business" is booming, opportunities for expansion are vast, but reliable information and guidance are difficult to obtain. Demand for higher education is strong, and as the government has acknowledged, the current system is unable to meet it. According to a survey conducted by Vietnam's Ministry of Health, the General Statistics Office, the World Health Organization, and UNICEF, 90 percent of general students in Vietnam want to enter a university; in reality, only 10 percent fulfill their dream. In Vietnam, 30.7 percent of urban young people graduate from high school, while only 21.11 percent of their rural counterparts achieve that goal. Similarly, about 14 percent of urban youth graduate from university; that figure is 1.5 percent for rural areas.

Since the cost of higher education in the United States is prohibitive and there is no guarantee of obtaining a student visa, US degree programs offered in-country or through distance learning are attractive options for many students in Vietnam. Furthermore, because Vietnamese are brand name conscious, US institutions naturally have a competitive advantage in the higher education market. For many, "made in the USA" is synonymous with quality. Vietnamese universities, in turn, are actively seeking US and other foreign academic partners to develop these programs for the many tangible (e.g., quality academic programs, additional revenue, training future professors and researchers for the university) and intangible benefits (e.g., prestige, improved academic discourse) that accrue.

A growing number of US universities and colleges, most accredited but some not, are looking to Vietnam as a lucrative market for online and in-country education and training programs. Most of these institutions are well intentioned; their primary goal is to meet an urgent need and provide a quality education at the lowest possible cost.

Other US higher education institutions, however, see a golden opportunity to reap substantial profits from a market that has rosy long-term prospects. Those institutions are well aware that there are many parents who cannot afford to send their child for overseas study but can afford the price tag of an in-country degree program or would prefer that their child earn a foreign university degree at home. There are also many

employed people with families and other commitments for whom overseas study is not an option.

UNACCREDITED (OR UNIVERSITY IN NAME ONLY)

A number of unaccredited US institutions have either attempted to do business or are currently doing business in Vietnam and many other countries. They actively seek out markets around the world in which consumers are uninformed, unsophisticated, keenly interested in foreign degree programs, and, in a word, vulnerable. It is in countries like Vietnam that these higher education providers find fertile ground, receptive audiences, and profit potential.

American Capital University (ACU), which was based in the diploma mill haven of Wyoming, once cooperated with the Singapore Management Training Centre (later called the “Senior Management Training Centre”) to offer an MBA program in Vietnam. (The ACU and SMTC, which was affiliated with Michael Yu’s SITC, are now defunct.) Like the SITC English-language training centers, students involved with the SMTC MBA ended up losing thousands of dollars, as victims of fraud.

ACCREDITED BUT QUESTIONABLE

This is yet another category of institutions: those that have entered (or wish to enter) Vietnam’s education market but offer very different programs in the United States than in Vietnam. The analogy would be a doctor whose specialization is podiatry in one country but who practices heart surgery in another.

For example, one US private, for-profit institution has negotiated partnerships with several well-known Vietnamese universities to offer BA and MBA programs. In the United States, this institution is an online university, but in Vietnam it is offering instruction with the use of US “mentors,” Vietnamese teaching assistants, and some combination of distance-learning tools.

There are two factors to consider with this type of institution. First, what is the quality of the education and training being provided? What are the standards for hiring teachers? Second, the quality of the institution awarding the degree affects the value of the degree now and in the future. If this institution is not taken seriously or viewed as substandard, the diploma and degree holder will be viewed in the same light.

CONCLUSION

In the wake of the recent SITC scandal, the Ministry of Education and Training has requested inspections of licensing, fees, and curricula at foreign-owned training centers. According to the Ministry of Planning and Investment, 72 foreign-invested training projects have been licensed, including one higher education project, five international general schools, three kindergartens, and 63 short-term training projects in IT, foreign language, and vocational training. As with their Vietnamese counterparts, foreign institutions—both in-

country and in their country of origin—must be held accountable for their actions. A free market does not mean freedom to exploit and to defraud.

It is my hope that the Vietnamese Ministry of Education and Training remains vigilant and makes every effort to approve only programs that benefit students, host institutions, and Vietnam as a whole. Quality programs that produce well-trained professionals and add to intellectual diversity are essential for Vietnam’s development.

It is also my hope that the financial well runs dry and the doors begin to close for unaccredited institutions and education businesses that aim to take advantage of “uneducated consumers.” My fear, however, is that these educational enterprises will continue to operate because of inadequate oversight, too much money, and the reality of credential inflation.

As we do with our educational advising, IIE-Vietnam will continue to provide free, unbiased, and accurate information about US institutions, be they in the United States or Vietnam, so that more Vietnamese will become educated and empowered consumers of foreign degree and other training programs. Vietnam is a poor country that can ill afford to squander precious resources, which inevitably results when programs make promises they cannot keep and replace the pursuit of knowledge with profit. ■

Declining Demand and Private Higher Education: The Portuguese Case

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The decline in private higher education has become a timely policy issue in several countries with a strong private sector. The situation is striking since this occurs in countries where private institutions emerged in a context of fast expansion of the overall higher education system and where there was no apparent lack of demand for new programs and institutions. It