

# Economic Development and Poverty Alleviation in Vietnam: The Role of Education

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The economic transforming process in Vietnam has presented many opportunities for Vietnamese people to change their lives. In the trend towards "globalization" and integration into international economy, the importance of education has accelerated rapidly during the last decades in Vietnam. To speed up the international economy integration, which requires high leveled and creative workforce, efforts should be made to seek solutions for improving the education of labor force of Vietnam and it proves to be the wisest way for the country to satisfy harsh requirements of regional and global labor markets.

**Keyword** : economic development, poverty alleviation, education

## ベトナムが抱える社会問題

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ベトナムの経済発展は多くの国民に生活向上の機会を提供している。経済のグローバル化が国際協調を進展させている。こうした傾向を加速するために教育の果たす役割はますます重要になってくる。国家の安定を確保するために教育を整備する必要性は高い。

**キーワード** : 経済発展, 貧困の削減, 教育

The economic transforming process in Vietnam has presented many opportunities for Vietnamese people to change their lives. In the trend towards "globalization" and integration into international economy, the importance of education has accelerated rapidly during the last decades in Vietnam. Because of the cheap and comparatively well educated labor force available in Vietnam, quality education seems to offer opportunities: Job generation, technology transfer and improvement of living standards. However, it also exposes a fierce competition, indeed. Vietnam has a young population, with 70% under 30

years old. Reported by the National Steering Board for Education Universalisation, there have been only 197 districts and 3,765 communes across the country reaching national standards on nine-year education universalisation. To speed up the international economy integration, which requires high leveled and creative workforce, efforts should be made to seek solutions for improving the education of labourforce of Vietnam and it proves to be the wisest way for the country to satisfy harsh requirements of regional and global labor markets.

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## THE CURRENT SITUATION OF LABOURFORCE IN VIETNAM

The journey from planned economy to the present has presented benefits and dilemmas for the education Vietnam. While the failure of central, bureaucratic and subsidized mechanism crippled people's creativeness, depriving them of realistic opportunities to sharpen their minds and change their own lives positively, the renovation process has provided them with welfare benefits, flexibility as well as challenges. With the workforce (15-60 years old among men, and 15-55 years old among women) totaling 42 million people and about some 1.8 million young people joining the this force every year, the quality of this human resource is reportedly low. Only 16 per cent of the work force has been trained, and illiteracy rates are over 4 per cent. Primary school graduates account for more than 31 per cent of the work force, junior high school graduates account for 30 per cent and high school graduates comprise only 18 per cent. Only 21 of the workforce has been trained in technical or vocational schools. (Vneconomy, 2004). More over, as a result of the rearrangement and streamlining of establishments and staffs in the renovation process, offices will be downsized and public workers will be laid off. The problem is worsened in rural areas where production is poor, service and industry are confronting setbacks. The less educated people will, therefore, risk losses of jobs and social benefits. Undoubtedly, in order to accelerate its economic growth, drive back poverty and integrating into international community, Vietnam needs to effectively invest in this powerful human resources.

Referring to the UNDP's HDI report (July 2004) - see the following table- Vietnam's GDP per capita PPP this year (US\$2,300) has increased considerably against last year (US\$2,070). Meanwhile, Education index has shown a notable decline, from 0.83 in 2003 to 0.82 in 2004. This is just a cautious indication that requires serious consideration for Vietnam in the future. More efforts and priorities should be given to education development because it is a foundation for the country's flourishing.

## CONNECTING VOCATIONAL TRAINING WITH REGIONAL ECONOMIC DEVELOPMENT, SPECIFICALLY LABOUR MARKETS

On its challenging highway to regional and global integration, economic industries have been diversified and varied. Many international and regional donators have eyed Vietnam for its relatively cheap labor force and huge population. Hundreds of thousands of FDI businesses have been set up, which has created employment for millions of people. However, in order to meet the continual demand of workers, priorities should be given to vocational training, indeed. Currently, with an estimated force of 8.84 million technically skilled workers, accounting for 20.99 percent of the total workforce, an increase of 1.5 percent annually, Vietnam has encountered lots of difficulties in terms of educational equipment and facilities and well-qualified teachers for vocational training, which has resulted in the shortfall of professional skilled labor force. Nationally, there have been only 200 vocational schools managed by ministries, industries and provinces while Vietnam has a population of 42.1 million people of working

Year	Life expectancy at birth (years)	Adult literacy rate (% age 15 and above)	GDP per capita (\$US PPP)	Life expectancy index	Education index	Human development index (HDI) value
2003	68,6	92,7	2,070	0,73	0,83	0,688
2004	69,0	90,3	2,300	0,73	0,82	0,691

Note: Data of 2000 and 2001 are used for 2003. Data of 2001 and 2002 are used for 2004

age, or 61.22 percent of the total population, of which 10.2 million people live in urban areas, and 31.9 million in rural areas. The fact is that the majority of them dwell in the countryside where information and financial burdens are usual impediments. They are closed to the bustling pace of industrialization and modernization, which necessitates professional skills and flexibility. The competition for entry in these schools, therefore, appears to be seriously hard for them. Moreover, obsessed with the chronic overemphasis on obtaining high degrees, urban working age people do not tend to enter vocational schools. Actually, if trainees harbor hazy goals in their studies due to one reason or another, their performance may not satisfy the increasing needs of skillful workforce. At the present, with the training of 256 professions offered in 82 different industries, laborers can have more chance to participate in domestic sectors or work abroad. However, in order to maximize the effects of vocational training to meet diversified demands of international and regional labor markets, it is suggested that course materials should focus on skill training alongside information about regional features and issues. Moreover, the training courses must constantly improve their curricula and teaching approaches to keep pace with other countries in the region.

## PROMOTING INTERNATIONAL EDUCATIONAL COOPERATION

"Education decides nation's future," says Prime Minister Phan Van Khai. Obviously, the knowledge-based economy of Vietnam could not flourish vigorously without highlighting the vital role of developing human resources. This should be specified by reforming the entire system of education and training to satisfy demanding requirements in the competitive period. People's intellectual standards should be improved and the talent should be trained to rapidly adapt to changes in the global business environment.

Vietnam possesses a rich manpower with 94%

being literate. However, the human development index is rather low compared with other regional countries. Apparently, to make full use of this internal force and ensure the quality of training, it is necessary for Vietnam to call for assistance from other countries in education and training. Currently, Vietnamese educational system is still inferior in training vocational and management skills.

- ❖ The serious shortage of skilled workers highlights the must that trainee workers exchanging programs should be encouraged. A great number of Vietnamese workers should be sent to foreign countries for sharpening their professionalism. Only frictions in realities could help them to develop their expertise, get accessed with modern technology and upgrade their skills. Moreover, Vietnamese workers should be trained to open their minds and absorb effectively professional techniques so that they would be able to apply those properly into their country's situation in the absence of foreign experts' assistance.
- ❖ It is also an imperative need to offer courses on management skills. Currently, training professional executives who are expected to master management skills proves to be beyond reach of the country. This is, therefore, of paramount importance that the Government should map out schemes calling for educational co-operation with other countries in the world. Unqualified managers are advisable to attend special courses for running their enterprises better. MBA program (Master of Business Administration), for example, is an urgent necessity in this fierce time, indeed. This, however, should be manipulated by organizing cultural exchanges for managers-to-be. In the future, the international managers may visit Viet Nam to share hands-on experience on setting up educational programs or establishing trading cooperation with Vietnam.

- ❖ Furthermore, a preferential treatment should be adopted to talented people. Development scholarship programs should be encouraged, which could create more opportunities for them to develop their competence and devote their talent to better their country economically and make it more and more prosperous in future.

## CHANGING TRADITIONAL MENTALITIES TOWARDS THE OPENNESS

As an economic transforming country, in addition to training a skillful labor force, Vietnam needs also to change people's attitude towards trading career. This is a crucial requirement for the country in its track to economic development. Up to now, Vietnamese people have still harbored the handed-down prejudice which divides social strata into four classes: Scholar-Farmer-Craftsman-Merchant. This mentality is against the reception of knowledge and skills and should be uprooted. People should be educated to bear in their mind the positive thinking about entrepreneurship if they want to develop the country's economic situation.

- ❖ For the country to flourish vigorously, it is essential for the Government to freshen the minds of not only people in urban areas but also those in rural and remote places. They should be taught to appreciate the advantages of the globalization, so that they can benefit from integration process.

One example of group minorities residing in Vietnam's highlands should be taken into account: Sapa, a well-known landscape of Vietnam and is endowed with natural favorable conditions and valuable traditional culture, which can enable the people here to lead a sustainable life economically by developing tourism-oriented economy. In stead of keeping to the traditional backwardness, they should be encouraged to "open the door" and attract foreign tourists. This

is expected to be a good chance for them to approach civilization and to introduce their own traditional values and beautiful landscapes. The local residents should be urged to study English so that they can serve as tourist guides.

Another case is that of Ma Da Te. Failing to get adapted to the rapid changes and bustling life of the new environment caused by the invasion of people coming from other areas, Mai Nai Teu ethnic minorities have escaped far into the forests. This underlines an urgent need that the Government should have a stronger and more effective policy to educate and familiarize these people with the new life and encourage them to live comfortably on their own land together with the newcomers and collectively improve their living standards with their potential resources (precious wood and bamboo)

## EDUCATION AND POVERTY ALLEVIATION

Poor people in Vietnam usually risk loss of educational opportunities. Good and stable jobs, therefore, are often beyond their reach. With their meager income, they seem to suffer from a destitute life with inadequate meals which can not provide them with minimum nutrition needs; Additionally, their poverty and hunger have hindered them from affording chances to obtain educational improvement and continually captured their lives in ignorance and poverty. Worse still, their inadequate education has resulted in their failure to determine their academic lives, child bearing and rearing, and so on with negative effects not only on the present generation but also future generations. Children born into poor families find it even more difficult to attain to educational conditions. They constantly experience shortage of food and malnutrition, which have deprived them of chances to associate with social activities and even school courses.

POVERTY MAP



90 percent have been reported to finish lower secondary level or below. According to the Living Standards Measurement Survey: among the poor people of Vietnam, 12% are illiterate, only 39% have received lower primary education and 37% obtained lower secondary school. Due to the high expenditure and poor quality of education in remote areas, the poor have failed to receive proper education which may lift them up from poverty. 80% of the poor are involved in farming activities which provide them with low salary and arduous work. Having inadequate education, the poor could not seek suitable career opportunities, for example in industrial sectors that offer more lucrative and stable

jobs.

The problem raising is how to enable the poor to reach sustainable economic life. This highlights the necessity of providing them with the "fishing rod", here means education and training, not the "fish" or subsidizing them from accommodation to employment. They should be educationally navigated to escape from poverty with their own painful efforts. They should be donated with educational opportunities to upgrade their knowledge and keep pace with the social changes. Vocational training should be offered to them as an ideal preparedness for being employed in foreign and domestic enterprises in the era of globalization.

Recently, Vietnamese farmers have experienced the harsh lawsuit of exporting catfish and shrimps at dumping price to USA. This braiseaser has exposed severe hindrances for them to seize the chance for economic development. Priorities and favorable conditions, therefore, are needed to create for children of unfortunate farmers so that they can get accessed to more educational opportunities, which will enable them to escape from the poverty and integrate into international market. With their accumulated knowledge and skills, they will be able to improve their existing production styles by processing and refining their products ensuring high quality and international standards. This may help them to benefit lower tariffs from outside countries.

However, Vietnamese farmers have been imbued with obsolete traditional culture and customs. Urging them to shift their existing thinking towards industrialization seems to be a tough work that requires time and endeavor. The experience of Japan 150 years ago when "open door" was initiated should be regarded as a valuable lesson for Vietnam. It's landslide flourishment has been the greatest pride of Asia. Within more than a decade, Japan has become the second powerful country in the world. That the talented samurais were sent to Europe for further studies at that time has shown off the great vision of Japanese. From the experience of Japan, transitional

economy in Vietnam should be given collective efforts and commitments to making sustainable and significant steps.

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