

## Graduate Employment in Vietnam

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Education is perceived as an indispensable solution to unemployment. When a nation is confronted with an economic downturn or wishes to improve its economic performance, one of the very first possible steps is to increase investment in education, particularly higher education and R&D. Despite a continuing belief in the “education gospel,” higher education institutions (HEIs) worldwide are now faced with a strong pressure to empirically prove their ability to ensure their graduates’ employability. In the case of Vietnam, the pressure is top down from the Vietnamese government toward HEIs, now required to provide statistics of employment rates to fulfill missions set out in the 2011–2020 Education Development Strategy. The result has so far been ineffective, as HEIs are simply responding to government pressure rather than proactively improving their reputation based on favorable employment statistics.

### SKILLS MISMATCH IN THE VIETNAMESE ECONOMY

Since its official participation in the World Trade Organization beginning in January 2007, the Vietnamese economy has undergone extensive structural reforms to adapt to growing integration and global market demands. “Modernization” and “industrialization” have become national motifs and an open market with an expanding private sector has gradually replaced the centrally planned model. As a result, a large share of the labor force has moved from the agriculture sector to manufacturing and highly skilled sectors. Moreover, the concept of “knowledge-based economy” was incorporated into the 2006–2010 National Development Plan and has become a principal guideline for Vietnam’s educational reforms, leading to a surge in the demand for higher education qualifications. The supply of job seekers with higher education qualifications quickly surpassed the demand of employers for highly skilled labor, calling into question the relevance of higher education. Increasing numbers of higher education graduates fail to obtain jobs matching their academic qualifications.

### MANDATORY PUBLICATION OF EMPLOYMENT RATES

In an effort to encourage competition and quality improve-

ment among HEIs, the ministry of education and training (MOET) made it mandatory for HEIs to publicize the employment rates of their respective graduates within 12 months after graduation, starting from January 2018. According to Circular 05/2017/TT-BGDĐT, universities and colleges that fail to publicize the required information will be prohibited from recruiting new students. The publication of employment rates is expected to assist students and families in making informed educational choices.

The initiative to publicize employment rates among HEIs is not unique to Vietnam. Similar attempts have been conducted in many countries, for example Australia, Singapore, South Korea, the United Kingdom, and the United States, among others. Among these five examples, Australia, Singapore, South Korea, and the United Kingdom gather information through a national-scale survey conducted by a third party—a state-monitored agency. The US ranking, however, is managed by US News, a profit-sharing multiplatform publisher, and relies more on individual universities to self-report their statistics. On the global scale, the QS graduate employability ranking is considered the most elaborate effort to compare employment rates of graduates from 500 different higher education institutions around the world. However, as indicated in the methodology, the statistics are based on a self-reporting mechanism. The *Times Higher Education* also publishes a Global University Employability Ranking, which evaluates graduates of 150 universities from 33 different countries.

### UNRELIABLE EMPLOYMENT STATISTICS

By April 2018, 64 Vietnamese HEIs had published the employment rates of alumni as required. According to the published statistics, the employment rates of graduates of regional universities such as Tay Bac University, Hong Duc University, and Hai Phong University are considerably lower (ranging from 30 to 70 percent) than those of universities located in big cities and the capital (over 80 percent). The HEIs that complied, however, account for less than 20 percent of the total number of HEIs (306) in Vietnam. Furthermore, the published statistics have been criticized for being unreliable. Out of 64 universities, 34 reported employment rates that were higher than 90 percent, 10 reported rates between 70 to 90 percent, and the rest reported rates between 40 to 70 percent.

Graduate employment statistics are believed to be inflated, because the December 2017 report of the ministry of labor claimed that a fifth of the total unemployment count (237,000 out of 1.07 million) hold a bachelor’s degree or higher. The question that arises is why there should be as many as 237,000 unemployed, when the employability rates published by the 64 universities are that high.

There is also some suspicion toward the University of Finance and Economics (Ho Chi Minh City) and the University of Fire Fighting and Prevention, both asserting 100 percent employment rates. Critics wonder whether the sample sizes used by university self-reports are large and representative enough. For example, in a report published in September 2017, Saigon University concluded that the employment rate of its graduates in the sector of electrical engineering technology and electronics was 100 percent, based on only one individual response. It is also unclear what kind of jobs are being counted as employment. In Vietnam, many graduates do not work in fields matching their specialization; some graduate with professional teaching degrees but become textile workers after graduation.

#### POSSIBLE SOLUTIONS

Concern about the unreliability of employment statistics is common in countries that do not have a specialized and accredited agency to conduct employment surveys. Whenever individual reporting of HEIs is involved, there are doubts about whether figures are truly reliable. Employment surveys conducted by third parties under the monitoring of state agencies are considered more credible and objective.

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Several articles in the Vietnamese media have expressed doubts about the effectiveness of the country's new policy. It appears that the public expects state regulations to actually be implemented. To address concerns about the reliability of employment statistics, it is highly recommended that the MOET either conduct the national employability survey itself or establish a dependable agency to monitor the surveying process—rather than leaving this up to the universities. Moreover, to enhance the credibility and quality of employment information for the benefits of the students, the MOET should require universities to report the average incomes of their graduates.

For the moment, most Vietnamese HEIs are perceiving the regulation to publish employment statistics more as a requirement to be met than as a golden opportunity to improve their positions in quality rankings. In other words, Vietnamese HEIs are not yet accustomed to function as independent enterprises in a competitive education market, where customers (students and parents) review

employment statistics to make decisions. Therefore, the government's plan to lower unemployment through top-down pressure will not succeed as long as employment rate publication is considered a must rather than a need. This is an inevitable result of the status quo in a centrally planned education system, as pointed out in a recent article on the autonomy of Vietnamese HEIs in *International Higher Education*. It will take a long time before employment data becomes an effective tool to motivate Vietnamese HEIs to improve the quality of higher education. ■

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## Panama: Higher Education is Key

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Because of its unique geographical position, Panama has always been an important regional and global crossroads, with the Panama Canal offering perceptible evidence of this. Built over a century ago, the waterway is critical to global commerce and the national economy. International finance, transport and logistics, and tourism and other services comprise over three-quarters of the gross domestic product (GDP) and besides their reliance on geography, these economic drivers have something else in common: they require a highly educated workforce. Ironically, Panama has one of the weakest education systems in the region. Worse still, the country is doing relatively little to remedy this situation and lacks a collective sense of how central brainpower is for the nation's future. This complacency may be due to its noteworthy performance over the past decade; economic growth has averaged over 7 percent annually and infrastructural developments in and around Panama City have been impressive. This success is probably unsustainable, however.

Panama likes to compare itself to Singapore. Both countries have small, diverse populations, limited physical resources, and privileged global positioning that allows for valuable niche economies based on international services. But Singapore has successfully focused on education since the beginning, for economic growth and sustainable devel-