

POSITION PAPER OF EDUCATION & TRAINING WORKING GROUP

*Prepared by
Education & Training Working Group*

1. Executive Summary

New skills for new jobs within Industry 4.0 can only be achieved with a modern and forward looking education system. Quality education, at all levels, remains vital for the future growth of the Vietnamese economy and the ability to take advantage of opportunities that will emerge from Industry 4.0. The Education and Training Working Group (E&TWG) continues to support both MoET and MoLISA in improving the standard of education. Progress is being made on a number of fronts and we continue to identify areas for possible improvement. This paper focuses on the following areas:

- **The Education and Higher Education Laws:** there are still some confusing aspects to the establishment of education institutions in Vietnam.
- **Decree 86:** we request that MoET expedite the drafting of a Circular guiding Decree No. 86.
- **Decree 143:** The Law on Social Insurance that has an impact on organisations employing foreign staff in Vietnam.
- **Technical and Vocational Education and Training:** The Government is requested to approve the revised Decree to replace the Decree No. 48 relating to the operation of foreign invested colleges.

In conclusion, the Vietnamese economy needs a highly competent workforce with the knowledge and skills to be ready for Industry 4.0. The Education and Training Working Group, through the VBF, will continue with its commitment to assist Vietnam in achieving its economic potential.

1. Introduction

New skills for new jobs within Industry 4.0 can only be achieved with a modern and forward looking education system. As mentioned in our previous position paper, preparing human resources to be effective for Industry 4.0 and the effects of effects of emerging technologies need to be addressed effectively in order for Vietnam to continue to be successful both socially and economically.

The purpose of this position paper is to analyse relevant issues that are impacting on our educational institutions and provide recommendations. These issues may have a negative impact on the educational institutions' ability to help with the education of young Vietnamese people. This is important so that future graduates from Vietnamese education institutions have the new skills required for the future for jobs within Industry 4.0.

This report will focus on the following areas:

- The Higher Education Law,
- Decree 86.
- Decree 143 - Law on Social Insurance has a number of areas that need to be addressed as they affect the employment of foreign staff. This is of particular relevance to educational institutions.
- Technical and Vocational Education and Training

2. The Higher Education Laws

The steps in the legal procedures to set up the private universities (including foreign invested capital universities) are as follows:

- i. Set up the legal entity under the law on enterprise, and
- ii. Then set up the university/educational institutions.

There are some outstanding issues that are causing confusion and that have not stipulated clearly in the draft law. These are as follows:

- The investor (local or foreigner) that establishes the legal entity (enterprise): This entity will have the legal status.
- They then establish a University: The current draft law regulates that the university will also have a legal status.
- With the above regulations, both the enterprise and university have a separate legal status. It is not an efficient system in terms of either a business or legal points of view.

3. Decree 86

The promulgation of Decree 86, in August 2018, provides specific regulations on foreign cooperation and investment in education and vocational training, including joint training programmes, educational establishments with foreign capital investments, and foreign educational representative offices in Vietnam. Foreign investment in education and training is vital to bring the required knowledge and skills to Vietnam. This investment helps prepare human resources to be effective for Industry 4.0. These foreign institutions will both compliment and collaborate with Vietnamese institutions that are already adapting to the challenges of the needs of the new economy.

We would like to request that MoET expedites the drafting of the Circular guiding Decree No. 86. This will provide clear understanding of what is expected from educational institutions and what they need to do with regards to implementation. Many schools are stuck in a bind working with authorities to amend their licenses because of the lack of a guiding Circular.

4. Decree 143 - Law on Social Insurance

The Decree 143/2018/NĐ-CP outlines a guide as to how to enforce the Law on Social Insurance. Under the decree, foreigners working in the country with a work permit, practice certificate, or practice licence granted by Vietnamese authorities and under non-fixed-term labour contracts or contracts with a term of one full year and above shall be subject to compulsory social insurance. This decree has a major impact on many educational institutions as they employ a substantial number of foreign staff. There are a number of issues with regards to this decree including, but not limited to, the following:

- Mandatory social insurance for foreign employees,
- There is a misleading point in Article 2.2(a) in that people under the internal transfer are not required to enter into the labour contract in Vietnam, therefore, clause 2.1 should not be referred to for the purposes of clause 2.2(a).
- From 1st January 2022, foreign employees will be subject to retirement and survivorship regimes in addition to maternity, sickness and occupational sickness/accidents.
- Lump sum payments to foreigners should be simple and straightforward.
- Harmonization of this decree with Vietnam's international treaty commitments.
- Social insurance costs for foreign employees.
- The impact of administrative procedures.

Recommendation, with regards to issues with Decree 143, have been provided through other chambers and working groups and we recommend that these issues are examined and addresses is a satisfactory fashion for all stakeholders.

5. Technical and Vocational Education and Training (TVET)

Vocational skills training and boosting employment is at the heart of the Vietnamese Government development goals. The Government also wants to tailor its vocational training more to the needs of industry and advanced technologies and to focus more on the skills needed for the effective implementation of Industry 4.0. Therefore, it is promoting the expansion of vocational education and training with improvements in quality and a focus on needs-based training.

The new law on Vocational Education and Training is an important step in improving TVET in Vietnam. Much work has already been carried out in conjunction with local and overseas agencies, and continued collaboration through active working groups coordinated by MoLISA would ensure that the impact of this work is more effective. There are some elements of the draft decree replacing Decree 48 that we would like to raise for consideration for change.

We would like to request that MOLISA and the Government approve the revised Decree to replace the Decree No. 48 relating to the operation of foreign invested colleges. It has been revising by Government over the past two years. However, the reviewing process has been protracted and is affecting the operation of all colleges. The General Directorate of Vocational Training is not accepting applications for conversion with the excuse that they are waiting for the revised Decree No. 48.

6. Conclusion

The ability of the Vietnamese education systems to deliver quality education and provide their students the new skills for the new jobs within Industry 4.0 is very important. This requires a robust legal system and the strong leadership of the Vietnamese Government and especially MoET and MoLISA working closely with other relevant stakeholders to find effective solutions to issues that may be detrimental to effective education at all levels in Vietnam. The issues raised in this paper highlight areas that could be improved to make the education system more effective and efficient.

The Education and Training Working Group through the VBF will continue (in cooperation with both MoET and MoLISA), with its commitment to improve education and training in Vietnam. We look forward to witnessing development and progress in the above areas and again would like to thank the VBF for inviting us to contribute to this important forum.