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**POLICY ON PRIVATE UNIVERSITIES DEVELOPMENT IN  
VIETNAM**

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# INTRODUCTION

## 1. Rationale of the research

Higher education plays a very important role in providing high quality human resources for socio-economic development of the country. Higher education development is the responsibility taken by the Party, State and the whole society, which should be socialized with a view to attracting the resources in the society for its realization, meeting the people's increasing demand of studying and learning and in line with the tendency of the higher education popularization in the world. The establishment of the private universities is the indispensable consequence of such tendency. Over the years, State's policies have not given due attention to the development of the private universities, have not created equality between the Public universities and private universities resulting in the improper development of the private universities both in quantity and quality; educational quality has not met the social needs and development demand, has not won the belief of the society and the educational product of this kind has not been equally treated. Therefore, the organization and management of Vietnam's Higher education system should be reformed substantially and comprehensively in compliance with the Government's Decree No. 14/2005/NQ-CP and adhering the 8th plenum of the Party Central Committee, 11th Session, towards the educational diversification, standardization, modernization and socialization, attaching much importance to ensuring and enhancing educational quality at the same time the State is in need to build up, make appropriate amendment and supplementation to the policies, providing opportunities to the economy of all levels to take their part in private universities development, ensuring educational quality and efficiency. Thus, the research "*Policy on Private universities development in Vietnam*" is highly relevant and of practical significance today.

## 2. Purpose and task of research

This thesis aims to carry out both theoretical and practical study for the purpose of completing the policy on private universities development in Vietnam today. In order to reach such purpose, the thesis focused on 3 key tasks: studying theoretical basis on the policy on private universities development; analyzing the actual situation of the policies on private universities development, thereby to evaluate the results and limitations of the

policy on private universities development and explain the reasons, both subjective and objective, of such limitations and express the viewpoint, principles and solutions for improving the policy for the private universities development in Vietnam.

### **3. Object and scope of research**

The object of this research is the policies on private universities development in the context of substantial and comprehensive reform of Vietnam's education system, including: i. Policy on finance; ii. Policy on lecturers development; iii. Policy on ensuring the autonomy of the private universities in their educational activities.

Scope of research: in respect of space, the thesis focused on the private universities nationwide; in respect of time: the thesis focused on the policy on private universities development since 2000 and recommendations for the coming years; in respect of content: the thesis focused on studying content and actual situation of the policy on private universities development: policy on finance, policy on lecturers development and policy on ensuring autonomy of the private universities in their educational activities as during the implementation these three policies have shown many limitations and inconvenience which have exerted influence on the educational stability, quality as well as the development of private universities.

### **4. Methodology and method of research**

The thesis is approached by basing on the principles and methodology of Marxist-leninism, Ho Chi Minh's thoughts and pointview, guideline of the Party, State on education with a view to having an objective view on the research contents. Following methods have been used in combination such as: analysis, collection, comparison, systematization, generalization of the documents, books, newspapers, magazines; sociological investigation, intensive interview, collecting opinions of the experts; taking advantage and developing other related scientific research results.

### **5. Scientific hypothesis of the research**

The private universities system is under unreasonable development, their educational quality is poor, can not meet the social needs and development demand. Such limitations are resulted from many reasons and the most underlying reason may be the poor State management on private universities,

especially unreasonable policy on this educational system. The solutions are studied to make good the shortcomings as well as improve the policy on private universities so that this system may develop in more reasonable way in the future, educational quality will be improved and can meet the social needs and the demand of social-economic development of the country.

## **6. New contributions by the thesis**

- The thesis is a scientific work of both theoretical and practical study with systematic and scientific approach, providing theoretical supplementation to the concepts on private universities, policy on private universities development, classification of for-profit private universities and non-profit private universities, important role of private universities and the factors influencing on the policy on private universities development; clarification of the comprehension of the policy on private universities development such as policy on finance, lecturers development and policy on ensuring autonomy of the private universities in their educational activities.

- By collecting, systematizing the legal documents on private universities and the practical figures, the thesis has evaluated the actual situation of the strong points and weak points of the policy and clarified the reason thereby to recommend the solutions for improving the policy on private universities development today. Especially, this thesis has built up *viewpoints on private universities development* and *the principles for improving the policy on private universities development* with a view to providing scientific ground for making suitable and reasonable policy on private universities in line with the guideline of the Party and State pertaining to substantial and comprehensive reform of education and the tendency of private universities development in the world.

## **7. Meaning of thesis**

- The thesis has clarified and deepened the theory and practice of the policy on private universities development in Vietnam; by collecting, systematizing the legal documents on private universities and the actual figures, the thesis showed a picture on the actual situation of the strong points and weak points of the policies, pointed out the objective and subjective reasons for recommending the solutions which will be of important significance for the building and realizing the policies in the near future, more appropriate and reasonable to speed up the development of private universities, improve the educational

quality, contribute its part to develop high quality human resources serving the cause of industrialization, modernization and global integration.

- The research results of the thesis may be used as references for the policy makers to build up and realize the policy made by Party and State of Vietnam in relation to educational socialization in general and higher education in particular today. And it may be a source of references for the private universities during their establishment, stability and development today. Furthermore, the theoretical and practical system of the thesis will also be practically meaningful for study and teaching the subject as State Management on education for the trainees in the National Academy of Public Administration.

## **TABLE OF CONTENT**

In addition to the Introduction, Conclusion, List of references and Annexes, the thesis is composed of 4 chapters:

Chapter 1: Overview of research

Chapter 2: Theoretical basis of policy on private universities development

Chapter 3: Actual situation of policy on private universities development in Vietnam

Chapter 4: Solutions for improving policy on private universities development in Vietnam.

### **Chapter 1: OVERALL OF RESEARCH**

#### **1.1. The researches carried out in the country and abroad relating to the thesis**

The researches in relation to higher education in general and policy on private universities development in particular have been carried out by many organizations and individuals at home and abroad and such works have been published in many ways, the author clasified these works into 6 groups of issues as follows:

1.1. Policy and public policy

1.2. Policy on educational socialization

1.3. Reform of higher education

1.4. Finance for higher education

1.5. Lecturers

## 1.6. Autonomy of universities

By studying the scientific works in relation to the policy on private universities development carried out by the authors at home and abroad, I found that the works which have been published as scientific research, books as references, doctoral theses focused mainly on public higher education in Vietnam, there are very few works on private universities. The researches mentioned some different aspects on finance, benefits for lecturers, autonomy of the private universities, difficulties as well as challenges faced by the private universities today.

On the other hand, the researches on private universities, which have been published, are mainly discussed at the forums, talk, workshop, most of them have been published on newspapers, online news, magazines, discussions so the volume, scope, content and approach have been dispersive, with many limitations, generalization is not good enough and uncomprehensive.

### **1.2. Some comments and the issues in need of further study**

The works carried out at home and abroad have focused on different aspects:

*Firstly*, regarding the model of private university, the authors indicated that the countries which have advanced higher education have both private universities: for-profit private universities and non-profit private universities. The State usually encourages the development of non-profit model which will receive the supports. In Vietnam, viewpoint and guideline of the Party are to develop the non-profit private universities. Although the Law on higher education which has been effective on 01/01/2013 provided legal concept on the educational institution “*for-profit*” and “*non-profit*” there have no any work containing sufficient principles, operation mechanism of each model with a view to making suitable and reasonable policy for both models.

*Secondly*, regarding the financial mechanism, in many countries in the world non-profit private universities are financially supported by the State, ensuring equality for both students of public universities and those of private universities. However, in Vietnam the State has not made policy on supporting finance for this kind of universities.

*Thirdly*, regarding autonomy and accountability, the works showed that although the State allows the higher education providers to be autonomous and

socially responsible, the universities in general and private universities in particular can not be self-supported while the State management agencies interfere the enrolment, curriculum, finance ... The private universities need to be completely autonomous, self-supported in respect of educational and training activities, building of training programs, occupational training to meet the market and social demand. So far there have been very few works on the policies relating to the autonomy in the training management of the private universities.

*Fourthly*, regarding the policy for the lecturers, the works showed that the private universities are facing many difficulties in developing the regular lecturers as it takes time and cost to train and improve qualifications for the staff of lecturers. Further, the lecturers of the private universities are required to have standard qualifications in line with their titles and provide high quality human resources for the society while State does not provide these educational institutions with supports in training, improving the staff of lecturers, which is unreasonable, inequitable for the lecturers between public universities and private universities.

The new works about private universities analyzed mainly some different aspects such as model of private universities, educational quality, campus, staff of lecturers, finance ... which are only discussions, expressing personal viewpoints or information exploitation so they have made no contribution to the systematization of the theoretical basis as the foundation for building, supplementing and improving the policy on private universities development in Vietnam today. Due to these “gaps” and the reasons mentioned about, I selected the theme “*Policy on private universities development in Vietnam*” for the Thesis.

## **CHAPTER 2**

### **THEORETICAL BASIS OF POLICY ON PRIVATE UNIVERSITIES DEVELOPMENT**

#### **2.1. Basic theory on private university**

##### ***2.1.1. Concept of private university***

Private university is a higher education institution under national education system founded by social organization, social-occupational organization, economic organization or individual who invest in physical facilities, finance



their activities by themselves, operate with the capital contributed voluntarily, financial autonomy and organize the training programs in compliance with law, autonomy in receivables and payables, complying with accounting and statistical regulations and make payment to the State budget.

The private universities are functioned to provide training, carry out researches serving the society and community; responsible for preserving and transferring the spiritual values over the generations; creating new knowledge for the social development and mankind's progress.

### ***2.1.2. Classification of private universities***

By studying the models of private universities, taking into account the market economy in the world, the private universities may be divided into two types, including:

*Non-profit private universities:* Non-profit university is first a university operating as non-profit organization: do not distribute earnings to the owners or shareholders but use these funds for financing its activities towards the learners' and community's benefits as specified by its mission. Non-profit university is an educational institution which operates only for the benefits of the learners and community. This is demonstrated clearly in its target and motivation of operation, operating mechanism and ownership, especially tuition fees and its way to use earnings. Therefore, the non-profit universities in the world are more and more developed, sustainable and win the consensus and supports from the community.

For Vietnam, as regulated by law: the private universities which operates not for profit are the higher education institutions whose profit accumulated every year is the common property not to be distributed but re-invested for its more development; the shareholders or capital-contributed members will not receive income or annual income does not exceed the interest rate applied for Government bond.

*For-profit private universities:* The actual situation of higher education development in the world indicated that the for-profit private universities are often in field of profitable education, not make huge and long term investment the same as in basic education, often meet the needs of vocational training, foreign language, business administration, accounting or others from the market. The limitations due to ensuring profit for the shareholders made the for-

profit private universities can not meet the educational requirements normally required for a university which has the lofty cause is education. Such limitations are educational commercialization, running after profits, providing education of low-cost but great demand, not care of appropriate investment in basic researches, even violation of enrolment rules, educational regulations and the regulations on finance, management ...

In Vietnam, the actual study showed that the educational investors have refrained from using the the expression “for-profit”. However, according to the current regulations on higher education, the for-profit private universities are invested by the organizations and individuals who are the owners of the capital invested in such educational institutions, receive income and pay tax to the State budget as regulated by tax law, however, as regulated 25% of the profits gained from this investment which is for education must be used for development and ensuring the quality of the educational institution.

### ***2.1.3. Differentiation of private universities and public universities***

The most underlying difference between public universities and private universities is finance and asset ownership; all or most of capital invested in the public universities are funded by State budget while the private universities are funded by individual (invested or donated), or a group of founders (group of individuals, or companies, groups, organizations). However, the differentiation between “public-private” in higher education in the world is much more different. In many countries, the private universities receive financial supports from the State in form of scholarship or student credit and preferential treatment in land, funded by State for the tasks as assigned ...especially most of the non-profit private universities have the mission the same as of the public universities, different only the initial expenditures, method of management, operation and accountability.

For higher education in Vietnam, previously the higher education institutions were organized in form as: public, semi-public, people-founded and private but now the Law on Education and Law on Higher Education regulated only 2 models that is public and private. Public universities and private universities in Vietnam are characterized by some criteria such as finance, ownership, legal status, organizational structure, financial management mechanism and use of assets.

#### ***2.1.4. Role of private universities***

In order to realize their mission, the universities in general and private universities in particular are functioned to train and provide high quality human resources for the socio-economic development of the country and international integration, equip the new knowledge as the motivation for social change and progress. The private universities have attracted the attention and participation of the whole society to contribute its resources for higher education development, reducing economic pressure for the State, contributing their part to provide easier access to higher education, meeting the learning needs of higher level from the people of all classes, establishing the new model in higher education management, creating new knowledge as the motivation for social change and progress.

Further, the development of private universities will play an important role in sharing the burden from the State to provide higher education service, speed up the fair competition with a view to enhancing higher education quality meeting the socio-economic needs of the country.

### **2.2. Policy on private universities development**

#### ***2.2.1. Concept of policy on private universities development***

Policy on private universities development is a public policy issued by State, that is State's response to the issues arising during the establishment and development of the private universities, including the system of policies made to create motivation for the development of the private universities in respect of scope, quality and efficiency of training for the purpose of meeting the learning needs of higher level from the people and the development of the country.

Beside the policy made by the State, in order to develop private universities there are policies made by the educational institutions also to encourage those who involve in establishment of private universities.

#### ***2.2.2. Main content of law on private universities development***

- *Policy on finance for the private universities*: this is the policy of mobilizing, managing and using money for private universities development to reach the development target and orientation decided by the State. The policy on finance issued by State aims to provide favorable conditions and encourage the non-public economic sectors to contribute their financial resources for

private universities as the same time to make suitable and reasonable financial mechanism for the private universities, ensuring educational quality and efficiency for the socio-economic development of the country. The content of the policy on finance for private universities development mentioned in this thesis is the policies made by the State in relation to the mobilization, management and use of financial source by the private universities including financial supports from the State, mobilization of economic sectors, investors, sponsors to fund the private universities as well as policy on assets ownership, financial management and tuition fees of the private universities.

- *Policy on lecturers development of the private universities:* this is the institutionalization by the State and concretization by the private universities of the Party's viewpoints, orientations into the decisions, regulations, rules, standards, measures... relating to building and enhancing quality of the lecturers of the private universities to meet the targets planed by the private universities in line with the purpose and as required by the State and social needs. The content of policy on lecturers development in the private universities is divided into 4 main groups: Policy on lecturers admission; Policy on lecturers disposition; Policy on lecturers training and Policy on lecturers' benefits and appreciation.

- *Policy on ensuring autonomy in training activities:* Autonomy in universities reflects the relationship between the universities and society, government; level of interference by the Government into the different issues of the universities. Through theory and actual development of the private universities, the autonomy of the private universities is demonstrated mainly in respect of the organizational structure, training, scientific research, development orientation, staff of lecturers, finance...The content of policy on ensuring autonomy of the private universities in their educational activities including autonomy in determining the number of students to be admitted (based on the capacity of the university); autonomy in setting up the method of enrolment organization (admission without examination or examination or both); autonomy in training organization (making curriculum, textbook, teaching ...), autonomy in ensuring educational quality (evaluation of results, recognition of graduation ...).

### ***2.2.3. Role of policy on private universities development***

The policy on private universities development is an important tool of State management directly influencing the stability and substantial development of the private universities, playing important role in directing, guiding, supporting the private universities to develop in line with the political viewpoint and target planned for each phase; mobilizing the investment by the whole society into development of the private universities and the role to provide favorable environment for the private universities development.

#### ***2.2.4. Factors affect the policy on private universities development***

There are many factors affecting the policy on private universities development in Vietnam: *The first* is the view, ideology of the Party and State and thinking, awareness of society for the private universities, which is an important factor affecting greatly the policy on private universities development; *The second* is management organization in both macro and micro affecting importantly the private universities development; *The third* is law system, if the completed legal environment and comprehensive, proper legal documents system will protect legal rights and benefits for the private universities' development; *The fourth* is capacity of staffs in implementing the policy process, if the decision makers and implementers of private universities development policy have capacity and sufficient necessary conditions to perform the policy, that policy is effective; *The fifth* is capacity of the private universities, because this is a place to apply, implement regulations of the policy and to find limitations and propose the policy; *The sixth* is globalization and international integration, which has important implication for determining the policy on higher education development in general and private universities development in particular.

### **2.3. Some countries's experience of policy on private universities development**

#### ***2.3.1. Financial policy***

Basing on private university model for profit or non-profit, the Government of countries with different mechanism, financial policy: in some countries, the State finances a huge amount for private universities but assigns public universities to associate or the State controls very strictly (number of selected students, open of new program, salary for lecturer... such as in India, Japan, Korea...). In Japan, the private university sill is financed by the State,

students in the private university is granted a loan to pay tuition under the principle of high tuition - high financing.

In Singapore, the principles of the Government are for national benefit, so the State still invests and finance for the private university. There are currently hundreds of non-public universities, but the State still issues policy on land support for constructing material facilities, preferential loans, does not collect tax... In addition, the Singapore Government directly finances for some private universities such as LaSalle Art Academy, because the public universities have not invested yet into art types, therefore, instead of establishing a public art university, the Ministry of Culture of Singapore decides to finance for this university. The financing amount is primarily for all salary and operation costs.

### ***2.3.2. Policy on lecturers of private universities***

As mentioned above, in many countries around the world, the Government supports the private universities by exempting from tax for all non-profitable education investment, funding amounts, even reducing tax for the remaining funds to investors, sponsors. Thanks to the tax policies to encourage investment in education, the non-profit private universities have huge revenues to improve the training quality and scientific research quality. Through that policy, the private universities have funds to invest, develop and improve the quality of lecturers, some countries finance directly for professional improvement for lecturer of the universities in general without distinguishing public and private education system.

### ***2.3.3. Policy on ensuring autonomy in training***

The university autonomy in the world is a very basic principle in university administration. In countries where the training system belongs to the Anglo-American system, the universities have the highest university autonomy tradition, but shall be responsible to the society and the Government. In continental European countries, the autonomy is usually in the detailed regulation frame of the State, however, those regulations seem to be loosened and the classification is made to ensure the autonomy of universities. In Asian countries in general, where many new universities are established, the State generally have a high control. However, the university autonomy is not an absolute concept. The State may intervene in activities of the University through the legal policy corridor or financial sanction.

#### ***2.3.4. Some experience lessons can be applied to policy on private universities development in Vietnam.***

*Firstly*, our country's universities shall be restructured under two public and private types (all remaining people-founded universities shall be quickly changed into the private universities in accordance with regulation of the law for stable training); The State shall ensure that there is not any discrimination in autonomy, social responsibility and authority of a university. It must be based on healthy competition and training quality of each school to obtain credit rating of society, learner and labor market.

*Secondly*, The State encourages the development of non-profitable private university type and permits to establish a private university for profit. For non-profitable universities, the State will grant land, exempt from income tax and exempt from tax for benefactor, including people financing partly necessary cost.

*Thirdly*, The State encourages "sponsors" to finance private universities. All non-profitable donations for private universities shall be exempted from tax and registered. So many businessmen, organizations and individuals will be pleased to donate for the universities because it is contribution to the community. The honor of the university and society is also a way to build beautiful image of individual, organization or enterprise.

*Fourthly*, The State shall ensure implementation of autonomy of the private university according to its meaning, especially during enrollment and branch formation. However, despite of high autonomy implementation in private universities, the State management agencies still have to manage in the criteria, legal standards to ensure training quality and to avoid tend to education commercialization.

### **CHAPTER 3**

#### **ACTUAL SITUATION OF POLICY ON PRIVATE UNIVERSITIES DEVELOPMENT IN VIETNAM**

##### **3.1. Actual situation of private univesities development in Vietnam**

###### ***3.1.1. Overview of establishment and development history of private universities***

*3.1.1.1. 1986 – 1996 period:* This period marked the breakthrough reforms of the State in all socio-economic sectors under new mechanisms, including formation of non-public universities, confirmed the three types of non-public higher education such as semi-public, people-founded and private.

*3.1.1.2. 1997 – 2004 period:* In this period, the Party and State confirmed the correct policy on education socialization and continued to develop more proper mechanism and policy to encourage the implementation of this policy. Education Law 1998 which is made is an important legal basis for the organization and operation of education in general and higher education in particular.

*2.1.1.3. 2005 – 2008 period:* It can be said that the major changes related to the policy on non-public higher education development took place at this period. Education Law 2005 replaced the Education Law 1998 was a important legal basis for the organization and operation of education in general and higher education and private universities development in particular. The Government issued the Resolution no. 05/2005/NQ-CP dated 18/5/2005 promoting socialization of education, health, culture and sport, this Resolution confirms that the semi-public university is not maintained. Each non-public university can operate under non-profitable mechanism or profitable mechanism. Decision no. 14/2005/QĐ-TTg dated 17/1/2005 issued by the Prime Minister stipulated in details the organization and operation of private universities and Resolution no. 14/2005/NQ-CP dated 02 November 2005 stipulated basic and comprehensive reform of higher education of Vietnam in the 2006 - 2020 period.

*2.1.1.4. From 2009 to now:* In this period, the introduction of many important policies related to principles, organization and operation mechanism of the private universities, to assurance of rights and obligations of the participants in the private universities development process has made the private university system to gradually stabilize and develop such as: Decision no. 61/2009/QĐ-TTg dated 17/4/2009 by the Prime Minister issuing the regulation on organization and operation of private universities replaced the decision no. 14 issued in 2005; Decision no. 63/2011/QĐ-TTg dated 10/11/2011 adjusting and supplementing some articles of the Decision no. 61; Higher education law issued in 2012 and decree no. 141/2013/NĐ-CP dated 24



October 2013 stipulating in details and guiding the implementation of some articles of the Education law.

### **3.1.2. Actual situation of private universities development**

- Private universities network have been covered 7 regions on the country, especially 21 universities have concentrated in the Red River Delta, accounting for about 38% of the country, there are currently total 55 private universities.

- Training scale continues to increase, structure of training branch group is more and more diversified, in which economics, business management, accounting, finance, banking branches are in most universities, their training form is also very plentiful.

- Lecturers of private universities grow in quantity and quality; always account for about 16% of university lecturers. By the end of the 2012-2013 academic year, total main lecturers are 10,324, total visiting lecturers is 9,698. Qualification of the current main lecturers of private universities is as follows: Total lecturers with doctoral level or higher is 1,477, accounting for over 14.3%; Total lecturers with Master level is 3,978, accounting for 38.5%; Total lecturers with higher level is 4,691, accounting for about 45.9%. Most private universities shall invite the visiting lecturers. After nearly 25 years of non-public universities development, now there have been many non-public training universities that assert quality and its position in the overall picture of Higher education in Vietnam such as Duy Tan University, Thang Long University, FPT University ...

In addition to achievements, the private universities development process shall meet many difficulties and shortcomings. Due to focus on training scale development, the private universities do not pay proper attention to the training quality, scale beyond the training capacity, many private universities have organized the entrance exam with low quality, the benchmark provided by the private universities is often approximate the minimum mark provided by the Ministry of Education and Training. The requested enrollment targets are not strict. Number of main lecturers of many private universities is few (less than that of the visiting lecturer). Most private universities can not arrange fully the main lecturers, the number of visiting lecturers still accounts a large proportion, mostly main lecturers who are retired from the public universities are invited to teach. Especially, in 2012 - 2013 academic year, many private universities

enrolled insufficient target because the enrolment source is scarce, which has affected the stability and development of the universities.

## **3.2. Analysis of actual situation of policy on private universities development in Vietnam**

### **3.2.1. Financial policy**

#### *3.2.1.1. Policy on financial support by the State*

Actual situation of private universities development in Vietnam has shown that the financial source of the private university mainly has been contributed by organizations and individuals; the balance operation is mainly based on tuition source paid by students, almost is not supported by the State and moreover Vietnam has not donor tradition for the private universities as many countries around the world, therefore many universities that have just been established have faced many difficulties.

#### *3.2.1.2. Policy on mobilizing economic parts, organizations and individuals to invest, finance for private universities*

In order to implement the Resolution on education socialization policy, in 2006, the Decree no. 53/2006 was issued on 25/5/2006 by the Government regarding policy on non-public service supply institutions encouragement and development. In 2008, the Decree no. 69/2008/NĐ-CP was issued on 30 May 2008 by the Government regarding policy on socialization encouragement for activities in the fields of education, vocational training, health, culture, sport, environment. *However, there are still inadequate issues during policy implementation, therefore the policy is not into practice*, an emerging issue in the policy of the State is assurance of rights and interests of the universities, investors.

#### *3.2.1.3. Policy on tuition*

While the public universities are subsidized completely by the State budget, the tuition is still equal to the tuition collected by the private universities, the minimum tuition as regulated by the Government in 2013-2014: lowest is 4,85 million VND/student/year and highest is 6,85 million VND/student/year. Most private universities collect the tuition of about 650,000 - 800,000 VND/year/student. The student of the non-public university shall pay 100% cost, the student of public universities shall only pay 4-5 million of total

tuition 10-12 million VND/year because their 70% tuition is supported by the State. So, this is very unfair, because the investment capital by the State for education is tax amount paid by all people, but only students of the public universities are entitled while the students of non-public universities are not entitled. The students of private universities are not entitled in timely the policies provided by the State as the students of the public universities.

### ***3.2.2. Policy on lecturers development***

#### *3.2.2.1. Recruitment of lecturer*

Policy on lecturer recruitment regulated by the private universities is basically shown in the Education Law, Higher Education Law, University's Charter, Regulation on organization and operation of private university. According to that regulation, the private universities shall be entitled to actively recruit lecturer in accordance with standards of conduct, degree, certificate, training major, teaching ability ... Of which people with university degree - grade: credit or higher, master degree, doctor degree, actual experience, good conduct and aspiration to become lecturer shall be given priority to selected to supplement into the lecturers of the university.

#### *3.2.2.2. Regarding the employment of lecturers*

The employment of lecturer staff in the higher education units in general and private universities in particular must comply with the legal regulations. The rectors of private universities have the autonomy in the employment of lecturer staff basing on: policies defining tasks, responsibilities, powers of lecturers, working regime of lecturers, teaching criteria... in accordance with the State regulations; take the initiative in arrangement and assignment of teaching work, scientific study and realization of other tasks in accordance with demands of the training units under the titles and salary scale in line with the legal regulations.

#### *3.2.2.3. Regarding training and improvement of lecturers*

The training and improvement of specialty and professional ethics are the especially important task of the higher education units in general and private universities in general currently. The policies on training and improvement of lecturers are defined in some available State legal documents; accordingly, the lecturers of private universities shall be facilitated to attend the courses of training and improvement of their professional level to ensure the standards of

lecturers in accordance with their titles; entitled to training expense supported by the private universities; attend the courses of PhD domestically or abroad under the Government's Project 911.

#### *3.2.2.4. Regarding preferential treatment and honouring toward lecturers*

In accordance with the available regulations on preferential treatment and honouring toward lecturers, particularly, the Charter on Private Universities defines that the lecturers of private universities shall be entitled to remuneration, salary, social insurance, health insurance and other rights in proportion to capital contribution; attend other activities of social organizations and union in accordance with the legal regulations. The official lecturers of private universities who are qualified as defined shall be considered for such titles as Meritorious Teacher, People's Teacher, Professor, Associate Professor and Campaign Medal for the education career.

### **3.2.3. Policy on ensuring the autonomy in training activities**

#### *3.2.3.1. Autonomy in entrance exam*

The Law on Higher Education 2012 allows the universities to have the autonomy in the entrance exams under one of three forms: examination, admission without consideration or both. In accordance with such law, the universities have the autonomy in the entrance exams, i.e. select the best solution for enrolment of learners. The survey has shown that mostly the private universities have desires to have the autonomy and establish the separate mechanism of entrance exam. The State is required to comply with the legal regulations in order to ensure the rights of the private universities and have the responsibilities for facilitating the universities to realize their autonomy in the entrance exams in the best way and ensure the quality of enrolled candidates.

#### *3.2.3.2. Autonomy in the organization of training*

To ensure the autonomy in the organization of training, the private universities must be entitled to the autonomy in offer the training branch under the social demands, take the initiative in the training programs under the study or vocational orientation; in the direction of modernization, standardization, connection system and qualify; be capable to tender scientific studies, select advanced and modern programs and coursebooks to edit or translate through the international cooperation or via internet. However, the private universities are

required to have the actual competence; actually, they have not satisfied with such conditions to realize their autonomy right.

### **3.3. Evaluation on actual status of policy on private universities development**

#### ***3.3.1. Results of policies on private universities development***

- The financial policies have been more and more added and completed in order to mobilize social resources for the higher education development. Such policies have positively affected the private universities development and mobilized financial source for more and more private universities development. From 2000 by now, the non-public higher education system has contributed to the State budget about more than 30 thousand billion VND, sharing the burden with the State budget regarding the investment in higher education.

- The lecturer staff has been established and developed in the direction of full quantity and ensured quality. The State's interest in the development of lecturer staff has shown by the planning of important policies related to the guideline of establishment and enhancement of quality of lecturer staff; included those in private universities. The policies on lecturer staff development have initially facilitated the realization of education- training activities as well as the establishment and enhancement of the quality of lecture staff in private universities. The quantity of lecturers has increased year by year; their level in spite of insufficiency has initially been improved. The State policies have offered opportunities to the higher education lecturers to contribute more to the education career.

- The training activities of the private universities have been more and more developed in the direction of autonomy. Formerly, the higher education system in Vietnam was under the close control of the State in all aspects through the Ministry of Education and Training such as organization, leadership, curriculum, recognition of graduation results (such as grant of M.A, PhD. Degrees); now, the universities in general, the private universities in particular have gradually been offered with the autonomy through the State policies.

#### ***3.3.2. Restrictions and shortcomings***

- *Firstly, financial policy*, in spite of last amendment, addition and reform, the financial policy has still been restricted, affecting the operation and

development of the private universities, such as: capital mobilization, tax, ownership of assets... resulting in the fact that many people-founded universities have not still been changed into the private universities and newly-established private universities have faced with much difficulties during their operation.

- *Secondly, policy on the development of lecturer staff*, the development of lectures of private universities has not been compatible with the increase of scope and not satisfied with the requirements on enhancement of higher education quality. The lecturer staff of private universities has both lacked of quantity and been weak in quality; moreover, the private universities have faced with many difficulties in recruitment, training and improvement of lecturer staff, and enhancement of lecturer quality. On the other hand, although the State documents define that the preferential treatment and honouring the lecturer staff must be equitable and equal between the public universities and private universities, because of difficulties in many aspects, some universities have still not realized and realized incorrectly the preferential treatment policies toward the lecturer staff such as: employment, allowance, improvement, honouring...

- *Thirdly, policy on ensuring the autonomy of private universities*: the autonomy of private universities has not actually been ensured because the inconsistency of the State policies has caused difficulties to the realization of autonomy in the entrance exams in universities, particularly in the entrance exam in 2012, mostly private universities have not carried out their plans correctly. The policies on ensuring the autonomy regarding the organization of training activities such as offering additional training branches, establishment of training programs, curriculum, scientific study, training association... have not been realized and applied reasonably; as a result, the private universities have faced with many difficulties.

### **3.3.3. Reasons**

*Objective reasons*: Vietnam has not owned many experiences in the development of non-public higher education system in general and private universities in particular; Restricted financial capacity of the State and people; Impacts of the market mechanism on the healthy development of private universities. On the other hand, dispute between the high requirements of the

society and restricted resources and conditions has caused many private universities to face with the difficulties.

*Subjective reasons:* The State's policies on the private universities development have been incomprehensive and inconsistent, not in timely manner; not establish fully and specify standards, factors, conditions and competence to ensure the training quality; not offer the actual autonomy to the private universities so not facilitate the private universities development. The State competent authorities have not really paid attention to solve difficulties of the private universities such as land, finance, construction, infrastructure, administration... The State has not really interested in the establishment and adjustment of policies to mobilize the private universities development meanwhile the public higher education system has still been subsidized by the State too much; the private universities have not been interested in adequately; The society's awareness of the role of the private universities has still been limited. The State competent authorities sometimes have intervened deeply in the administration of the universities meanwhile they have not done well the inspection and control, and not solved in timely manner the breaches.

*The other reasons are derived from the training premises.* Because of self balance of payment and receipt without the financial support by the State, many private universities have faced with difficulties and been under the financial pressure; not paid attention to the establishment of sufficient and qualified force of lecturers; not paid much investment in construction of infrastructure and teaching facilities; not paid attention to the scientific study for the lecturers and students. In other words, it has not been paid attention to increase the comprehensive competence to ensure the implementation of autonomy in their activities.

## CHAPTER 4

### SOLUTIONS FOR IMPROVING POLICY ON PRIVATE UNIVERSITIES DEVELOPMENT IN VIETNAM

#### **4.1. Viewpoint and orientation of private universities development by 2020**

##### ***4.1.1. Viewpoint on private universities development***

###### *4.1.1.1. The Party and State's viewpoints on socialization and reform of higher education for the private universities development*

The document issued by the 10th National Congress of the Communist Party of Vietnam states: “basic and comprehensive reform of education and training in Vietnam in the direction of standardization, modernization, socialization, democratization and international integration; completion of mechanism and *policy on education and training socialization in 3 aspects: mobilize resources in the society; improve the inspection role of the community; encourage the study and competence encouragement; and establish a study society.*

The Constitution 2013 and Resolution No. 29-NQ/TW dated November 4, 2013 by the 8<sup>th</sup> Plenum of the 11<sup>th</sup> Vietnam Communist Party on the basic and comprehensive education and training reform continually affirmed that the education development is the leading national policy and the career of Vietnam Communist Party, the State and people. The investment in the education is the investment in development; required the harmonized development and support between public and private education, and among regions; and promotion of educational socialization.

###### *4.1.1.2. The author's viewpoint on private universities development*

The universities, in spite of public or private, play the significant role. The product of higher education system brings about the significant benefit to the country, which is to generate the qualified labour staff to serve the national development. Thus, the State should be interested in the harmonized and balanced development of public and private training systems. The State budget shall not only cover the public universities but also support the private universities because both training systems play the important role and realize the national educational tasks.

For the private universities development, it is particularly required to respect the policy applied to the lecturers, policies of equal treatment such as training, improvement of qualification, welfare; honor lecturers from the public as well as private universities because the lecturer staff play very important role in deciding the



training quality and performance; also share training fees with students regardless public or private universities.

In the current market mechanism, the State allows the establishment of two types of private universities: profit private universities and non-profit private universities; establish reasonable mechanism and policies, control closely; avoid education commercialization.

#### ***4.1.2. Orientation on private universities development***

Focus on the establishment and implementation of mechanism and specific policies to support the private universities, regarding land, tax and loan to mobilize potentials and social resources for the private universities development. Speed up the enhancement of reasonable scope attached to conditions of quality assurance. Offer the independence and sovereignty to the private universities; from the beginning of the academic year, offer the autonomy on enrolment to the private universities to facilitate the private universities' full quality and quality assurance as defined. Ensure the State and society's equitable and fair treatment toward the public and private universities.

Realize the policy on basic and comprehensive higher education reform. Develop the lecturer staff to ensure full quantity, reasonable structure and standardized quality to satisfy with demand on the increase of scope and enhancement of higher education quality and performance. It is targeted to reach the rate of 40% of total students nationwide studying in private higher education premises.

According to the Resolution No. 29-NQ/TW dated November 4, 2013 by the 8<sup>th</sup> Plenum of the XI<sup>th</sup> National Congress of the Communist Party of Vietnam: There is policy on encouragement of healthy competition in the education on the basis of ensuring rights of learners, employers and education premises. Reach the learners' equal right of receiving the State support in public and non-public universities. Continually complete the supporting policies for subjects under preferential treatment, minority ethnic people, and credit preferential treatment for students who face with difficulty in life.

### **4.2. Principles for completion of policy on private universities development**

***4.2.1. Ensure systematism and synchronism:*** The policy on private universities development must be added and corrected in timely manner according to the Party's viewpoint and orientation on the development and socialization of higher education in the new period; also, inherit and improve reasonable contents and overcome

restricted contents of former policies which prevent the development of private universities during the last time; ensure the synchronism with other policies; avoid the overlapping and disputes; ensure the reasonableness of policies in the same higher education system.

**4.2.2. *Ensure feasibility and establish social consensus:*** Only with the consensus, the policy on private universities development is feasible and efficient. The feasibility is considered on many aspects from correct determination of reasons of policy to targets and synchronous solutions for the policy implementation.

**4.2.3. *Ensure equitableness and equality between public universities and private universities:*** The private universities must be treated equitably and equally as the public universities regarding the awareness as well as some policies: land, opportunities of study; ensure the right of tendering service supply projects ordered by the State; students and lecturers' equal entitlement to the State finance in such two forms of training system.

**4.2.4. *Ensure disclosure and transparency:*** Disclosure and transparency are the important principles regarding the State administrative management. It is required that in case of establishment, promulgation and implementation of policies, the State authorities, organization and units must be public and transparent; ensure the equitableness and democracy in accordance with the legal regulations. The public and transparent disclosure of planning and implementing the policy on private universities development is very necessary. In case of public and democratic discussion, the amended and completed policies shall be close to the actuality, satisfying with the requirements of national development, particularly overcoming the difficulties and insufficiencies in the private universities currently.

**4.2.5. *Ensure the harmonious benefit of participants in the private universities development:*** The completion of State policies for the private universities development must ensure the harmonious benefits for not only the investors or capital contributors but also the students; benefits of officials, employees and lecturers; long-term benefits of universities and the society. It is meant that the products generated by the private universities must satisfy with the demands and requirements of the society.

### **4.3. Solutions for improving the policy on private universities development**

#### **4.3.1. *Solutions for improving financial policies***

*Firstly*, the State is required to amend and supplement the legal documentary system on finance for the higher education in general and private universities in particular, defining again the ownership of assets against the capital contributors.

*Secondly*, amend and supplement financial supporting policies against the private universities, not impose taxes on the private universities if they commit their operation for non-profit.

*Thirdly*, encourage the establishment of non-profit private universities; also allow the establishment of private universities for profit. It is required to apply separate mechanisms to such two types.

*Fourthly*, correct regulations on asset ownership, capital protection; also focus on handle with difficulties for the remaining people-founded universities' transfer into private universities.

*Fifthly*, establish tuition fee frame against the private universities corresponding to standards in order to ensure the quality and form tuition fee supporting policy to ensure social policies against students at the private universities.

#### ***4.3.2. Solutions for improving policy on lecturers development***

*Firstly*, basing on the planning of higher education development, the State is required to establish the master and long-term planning for the development of teachers and lecturers of the higher education system, in which pays attention to the lecturers in the private universities to ensure the quantity, quality and apparatus in accordance with the training demand of branches and human resources in the future.

*Secondly*, amend and supplement policies in order to increase quality of education universities to ensure the standardized training of lecturers in order to generate the qualified sources for higher education training premises in general and private universities in particular.

*Thirdly*, establish and realize seriously regulations on standards and occupational titles of lecturers against the higher education system.

*Fourthly*, realize consistently the working regime of lecturers, including: lecturing, scientific study, professional improvement, and other activities. On the other hand, the State details the legal foundation for the private universities regarding the employment and management of lecturers: leaving employment, breach of regulations...

*Fifthly*, complete the policies to ensure the equality for lecturers in public universities and private universities. For example, policy of training and improving

the education standard and level; policy of supporting the scientific study in private universities.

#### ***4.3.3. Solutions for improving policy on ensuring the autonomy of training activities***

*Firstly*, amend and supplement policies in order to detail the autonomy and its contents of the private universities. The autonomy depends on competence and conditions of implementation. So the State is required to define the specific conditions and control the implementation to ensure the quality.

*Secondly*, amend legal documents to require the private universities to ensure the standards of staff, infrastructure, facilities, testing... to realize the autonomy as defined by the State.

*Thirdly*, reform the entrance exam in the universities; comply strictly with the provisions as defined in the law on higher education to ensure the rights of private universities.

*Fourthly*, the State establishes standards to control the training activities of the private universities in order to ensure the autonomy regarding the organization of training activities, included the inspection of plan implementation, curriculum as required by the labour market; inspect the public implementation of criteria to ensure the quality as required by the State; control the evaluation of training result and organize the verification of training quality; monitor the realization of cooperation and joint venture in the training by private universities. Well inspect and control the implementation of the activities in the universities.

#### ***4.3.4. Other solutions***

- Continue to affirm and further speed up the socialization of higher education. Review the legal documents in relation to the private universities development for amendment, addition and correction in timely manner; avoid dispute and overlapping.

- The State will regularly carry out the inspection in order to reorganize the operation of private universities and require such institutions to comply with the regulations of law; inspect the quality and publicize such inspection in order to require the private universities to continually improve their training quality.

- Supplement, correct and complete to issue the new Rules on organization and operation of the private universities;

- Establish the Teacher Law to ensure rights and obligations of Teachers, particularly those at the private universities;

- For the sustainable existence and development, the private universities must improve the training quality to determine their trademark; focus on reform of educational operation in the universities towards the orientation of ensuring the training quality.

## **CONCLUSION**

In the realization of educational socialization policy, the establishment and development of the private universities over the last years have affirmed both the informed and sound policy by the State and the Government and the indispensable position and role of the private universities in Vietnam's higher education system. The private universities have facilitated the people to enhance their level of education, shared the burden with the State regarding the supply of public services to satisfy the people's high quality and diversified learning demand; also attract many significant resources and potentials in the society to invest in the higher education development.

The research on "policy on private universities development in Vietnam" will have theoretical and practical meaning. The author has summarized the theoretical contents of the private universities, the roles of the private universities, and the rationale of the private universities development; analyzed the impacts on the policy of private universities development as well as clarified the contents of the policy on private universities development.

The thesis has researched, surveyed and summarized the establishment and development of private universities during the last 25 years; assessed the actual development in respect of scope, quantity and quality of the private universities; particularly focused on the analysis and evaluation of policies on private universities development such as: policy on finance, policy on benefits for lecturers, policy ensuring the autonomy of the private universities in order to develop the private universities.

The thesis has given opinions of the author for the private universities development in accordance with the actual conditions and general tendency of the higher education development in the world. The establishment of principles aimed at improving the policy on private universities development is necessary to ensure the benefits of those who involved in the private universities development such as

investors, learners, staff and lecturers and long-term benefits for the universities as well as the society.

The thesis has recommended the solutions for improving the policy on finance, policy on benefits for lecturers, policy ensuring the autonomy of the private universities and some other solutions. Such solutions shall be applied comprehensively in order to attract more and more economic sectors to the private universities development, ensure the equality between the public universities and private universities in the same system with a view to private universities development in Vietnam in respect of quantity, quality and educational efficiency in the coming years.

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