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El article

Patience is a virtue

*The Vietnamese education market is growing rapidly. But myriad regulations make it a hard nut to crack, finds **Sunniva Davies-Rommetveit***

First impressions of Vietnam often constitute astonishingly beautiful scenery and gap years for those fortunate enough to go on one. Inversely, the country brings to mind unhappy memories of the devastation caused during the Vietnam War, which galvanised 1960s protestors so fervently.

Look closer, though, and you'll see there's a lot more to Vietnam than this; not least a determined drive by the government to raise educational standards and up-skill the population. Driving this is a decade of impressive economic growth, which has seen a dramatic rise in the number of people with the means and desire to access education.



Between 2000 and 2010, Vietnam's GDP rose at an average of 5% annually, settling at 5.4% last year – a level it's expected to maintain for the next two years at least. The population is also growing at a clip, and now totals 90.4 million, with 18.4% aged 24 and under.

What's more, according to the OECD, the middle class is set to rise from eight million in 2012 to 44 million in 2020.

In response, the Communist Party has invested heavily in education; it spent some 6.3% of GDP on education in 2010 alone. That's creating a huge new market for educational products and services; but what are British providers doing about it?

The state of play

As a matter of fact, there are already a few UK education players in Vietnam. For-profit school chain Cognita owns two schools in the country; Pearson Vietnam sells resources for English language teaching, international schools and higher education, too.

Others are staking the market out, attracted by its growth prospects. Nord Anglia has employed a representative in Hanoi and aspires to make acquisitions in the country. And publisher Cengage Learning says that Vietnam is its next biggest priority in Asia after China.

"Like many other South East Asian countries, Vietnam is a growth market," says Mohamad Djahanbakhsh, chief executive of Scientia, a higher education software provider also active in Vietnam. "Education is playing a pivotal role in fulfilling the needs of a growing economy."

British education providers have traditionally done well in Vietnam for a number of reasons. Firstly, learning English is a priority for Vietnamese students, who see it as a necessity in a globalising world. Khalid Muhmood, founder of English language training centres Apollo English and the British University Vietnam, adds that finding native English language teachers isn't a problem either. "Vietnamese teachers are very good at grammar, but we British native education providers give them the confidence they need to communicate effortlessly with other English speakers."

Through his companies (which also include the British Education Partnership, a distributor of British qualifications), Muhmood teaches over 12,000 students and partners with 40 schools. All his operations are completely British-owned, and marketed as such. This, he says, has been a major selling point since he first set up in Vietnam in 1994. "All three of my companies are branded as British because we know that this is what Vietnam holds in extremely high regard."

'Vocational training has huge potential'

Thanks to money from tourism, as well as rice and coffee exports, Vietnam's middle class is emerging rapidly. And as more is spent on consumer goods, property and services, the demand for skilled workers like plumbers, mechanics and electricians increases.

This of course requires training, but there is a sore lack of vocational education in the country, says Matthew Anderson, executive director of trade group TVET UK. He believes this is partly because vocational training is stigmatised as being of lesser value than higher education.

"Vocational training has huge potential because the Vietnamese government knows it's important to have a skilled workforce. [But] 98% of people in Vietnam believe vocational training is important for other people's children."

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Education has a role to play in helping Vietnam tackle other pressing issues, too. The country faces growing challenges from climate change and globalisation; the increased occurrence of serious flooding, for example, has affected the country's rice crop. As such, the government has prioritised particular subjects in higher education, including environmental studies, sustainable building design, engineering, biology, technology, law and education management.

According to Chris Brown, Vietnam director at the British Council: "If institutions are aware of these prioritised areas, it will help them to collaborate with partners here."

'Not a quick business'

Despite the market opportunities, Vietnam is not somewhere to go to make a quick buck. The British Council suggests that businesses new to the country should expect to spend about seven to 10 years establishing themselves. Moreover, collaboration with local partners is essential.

"Building relationships here is not a quick business; there are only about 18 UK institutions which have got a relationship with the Ministry of Education & Training," says Brown.

"The mistake I see is that people fly out from London, have a couple of good meetings and become too complacent," adds Muhmood. "But you have to get your own talent in Vietnam to help you through things."

Not helping matters is a myriad of laws introduced since 2000 that make it harder for foreigners to set up shop. For instance, Decree 73, which came into effect in November 2012, states that anyone wishing to work in the country must now be educated to degree level and have five to six years of demonstrable work experience. "It's much more difficult to set up a business in Vietnam in comparison to when I arrived in 1994," says Muhmood.

In short, British providers need a large dollop of patience if they're to succeed, but Muhmood is adamant that they should not be deterred. "The Vietnamese government often reverses laws that don't work for them. I am still very positive about Vietnam – we have kept on postponing our departure because of the fantastic opportunities here."

The relaxation of labour movement laws in 2015, as part of the Association of Southeast Asian Nations (ASEAN) Economic Community (AEC) plan, could also improve matters. The plan, which will be implemented fully by 2020, aims to initiate a single market, much like the European Union's, across eight South East Asian countries. Its five core elements – free flow of goods, services, investment, capital and skilled labour – could ease access to Vietnam's education market considerably.

That said, AEC integration also poses risks like brain drain to more developed Asian countries; for instance Singapore. "What could happen is that 100,000 Indonesians or Vietnamese workers suddenly decide to go to Malaysia. Vietnam has not accounted for this yet," says Anderson. He adds that it could also prompt a skills race, if, for example, Burmese workers decide to move en masse to Vietnam. "That could put the Vietnamese at a disadvantage."

There's no doubt about it, Vietnam is a potential hotspot for British education exports. That's mainly thanks to its large, growing and increasingly prosperous population, which continues to demand access to high quality education. However, to succeed, market newcomers must conduct thorough research, establish long-lasting partnerships with locals, and understand both the country's laws and the upcoming AEC regulations. More importantly, as Muhmood notes: "You must be in it for the long-run – nothing else will do."



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