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Vietnam's Human Capital Development Processes

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Opening remarks

This article traces back the processes of human capacity building in Vietnam since the end of the Vietnam War in 1975. It argues that human capital is not always individuals' property, but it is a public asset that can be used for socio-economic development. This issue is novel as the current body of research on Vietnamese migration or human capital (e.g. Dang, 2007; Gribble, 2008 & 2011; Nguyen, 2006, 2013 & 2014; Tran & Nyland, 2011) has primarily focused on exploring the motivations of Vietnamese international students and skilled migrants, and effects of skill migration policies. Exploring the phases of human capital development in Vietnam is important as this new understanding can add nuance to the extant research corpus. More importantly, by using a historical approach to analysing some key political documents published in Vietnamese, this article argues that human capital is not solely decided by individuals' rational choices but rather, a combination of the government's directives in socio-political and diplomatic planning and personal circumstances. This analysis can be used as a reference for further research that investigates issues of Vietnam's human capital and migration from this country, as well as rationality that is implied in human capital theories.

Data from the recent period are not available until some years after the Communist Party of Vietnam's (CPV) congresses. This article uses the materials that have already been published by government's agencies and related literature to analyse some key points relating to human capacity building in Vietnam. Eight successive phases for human capital development are described in this article. They are based on the major policies issued and published by the CPV, the only political party that gives directions and imperatives to the government in all aspects.

The paper reveals that during the economic crisis caused by the Vietnam War, the government and CPV recognized the importance of human capital for socio-economic development. The later CPV's congresses have continued to focus on developing human capital, but in different ways based on their efforts to utilize the benefits of multilateralism and global integration. Freer mobilities for work and study in foreign countries have caused concerns over brain drain although very few studies have been conducted to make this claim clear. At present, the issue of brain drain remains as a rhetorical discourse that the government can use to encourage such outflows for economic revenue and participation in the international labour division on the one hand and call for return on the other hand. This idea is picked up in the last section of this article, which also notes that transnational mobilities from Vietnam should be examined under the effects of both macro-contextual factors and personal circumstances.

Human capital in Vietnam: Individual or public assets?

Human capital is commonly considered as individual assets that we form through education. It includes productive capacities which are manifest through our performances of work, skills, and knowledge. Human capital can

be obtained through education, and it is expected to generate individual earnings and productivity (Schultz, 1961, pp. 1-2). Individual investment in education is important for economic development of a country. It can fulfil individuals' enjoyment and increase "pecuniary and non-pecuniary returns" (Blaug, 1992, p. 207). People's skills and knowledge enable them to increase productivity in the workplace. The increase of their productivity allows them to earn a better income and/or promotion in the labour market. Therefore, investment in education produces monetary benefits and intangible benefits such as pride, social respect, or pleasure to individuals. When the collection of many individuals' human capital is accumulated, it is turned into collective capital as "marketable assets" (Schultz, 1961, p. 2). This can produce significant social transformations. Following this, governments value human capital as a contributor to national competitive advantage in the global knowledge economy. In some sense, individual human capital becomes a public commodity.

In Vietnam, human capital is developed, used, and retained as a public commodity to increase national competitive advantage. It can be measured through numbers of graduates, degrees and quotas. It also represents the government's efforts in participating in the global race for talent and changing Vietnam's political image as a democratic country. Highly skilled workforce is supposed to possess foreign language proficiency (preferably English), professional knowledge and transnational relationships that contribute to national development. As such, investment in and uses of human capital are politically oriented. Human capital becomes a social asset which enables the country to extend its image as a friendly socialist nation. This argument is presented through the different phases of human capital development in Vietnam in the following sections.

Vietnam's economic crisis from 1975 to 1986

The years after the Vietnam War ended in 1975 saw the government's efforts in diversifying its foreign relations with the neighbouring countries and communist bloc despite many struggles posed from ruins caused by the war and conflicts in international relations with capitalist countries.

In 1977, Vietnam tried to establish its relations with the Association of Southeast Asian Nations (ASEAN) member states and later to improve its relations with this organization. In 1978, Vietnam's relations with China, which had been strained during the Vietnam War, began to decline, and led to the Chinese invasion in the North in 1979. Vietnam's military intervention in Cambodia, which was launched in December 1978, prompted the ASEAN members, Australia, and Japan to join the US economic embargo against Vietnam. Vietnam had to depend on the USSR through a twenty-five-year Treaty of Friendship and Cooperation signed in 1978 (Thayer & Amer, 1999, p. 215). Such a dependence was viewed as a change in the CPV's ideology from their "two-camp thesis" (the world's order was based on the extreme poles between socialism and imperialism after the Second War) to the "three revolutionary currents" (based on socialism in the USSR, workers in industrial

countries, and the forces of national liberation in the Third World). This dependence brought about economic, political, and military support from the communist bloc, but it isolated Vietnam from the other advanced countries, particularly from its neighbouring states of ASEAN. In addition to the isolation from ASEAN and the capitalist world, Vietnam's military intervention in Cambodia caused a loss of development assistance, trade, and investment opportunities because the country faced the US embargo and the objection from ASEAN, Australia, and Japan.

Prior to 1986, Vietnam confronted many economic problems due to its central planning and large-scale production and over-expenditure on the military intervention in Cambodia. The yearly inflation was over 700%, and the state's resources were strained because of high expenditure on military services and financial compensations for loss-making state enterprises (Mallon, 1997, p. 11). By 1986, inflation reached an annual rate of 500% (van Arkadie & Mallon, 2003, p. 51). The total revenue from exports was US\$500 million, accounting less than half the total imports of US\$1,221. The fiscal deficit was large and persistent while many provinces were on the verge of famine (ibid., p. 68).

By 1989, in response to these pressures, Vietnam withdrew its military troops from Cambodia to negotiate a comprehensive political settlement with ASEAN (Thayer & Amer, 1999, p. 2). Further, Gorbachev's ideology in the USSR's social and political reform influenced Vietnam's foreign policies, which turned to push economic development rather than military investment and deployment. In line with this "new political thinking" (ibid, pp. 216-217), Vietnam placed its focus on economic development and scientific application instead of military investment and deployment. The focus on economic development was essential under the influence of the domestic economic crisis. In terms of political ideology, the government completely abandoned the relations with the capitalist world when they adopted the socialist Marxist and Leninist ideology. Personal contact with foreigners was discouraged. However, the CPV's Secretary General Truong Chinh committed that the government had made mistakes in running this bureaucratically centralized mechanism of economic management (van Arkadie & Mallon, 2003, p. 65). Therefore, Vietnam relied too heavily on foreign aid for their subsistence. At the same time, they "indulged in conservatism and sluggishness, maintaining for too long the mechanism of bureaucratic centralism based on state subsidies" (ibid, p. 67). The country needed a radical reform.

The 6th Party Congress (1986 – 1991): Education as the foremost priority for development

To deal with the economic crisis resulting from the Soviet-style centralized economic and political management system, the 6th Communist Party Congress of Vietnam decided to abandon the centrally planned model of socialism and adopt a "market-oriented socialist economy under state guidance" (CPV, 1986, p. 3). To gain international support and chances to participate in the global trade, the CPV changed its foreign relations policy

which had previously privileged interactions with the communist bloc to a multilateral policy by being “friends with all countries” (Nguyen, 2008, p. 1).

Market socialism and multilateralism were made the main foci of the new policy widely known as the *Đổi Mới* (Renovation or Open Door) Policy. Aiming to industrialize the country by 2020, this policy focused on restructuring the economy and recognizing the importance of international participation and support. To achieve these targets, the government considered education as “the nation’s foremost priority” (CPV, 1991, p. 4) because human capacity was seen as the most important factor “to develop sustainably, advance the country in the international arena, integrate globally, and stabilize the society” (The Central Government, 2011, p. 1).

This *Đổi Mới* Policy focused on policy reforms. It aimed to reduce macroeconomic instability and accelerate economic growth by abolishing the system of bureaucratic centralized management and state subsidies. The economy was supposed to move to the multi-sectoral and market-oriented mechanism in which private enterprises could compete with the state in non-strategic sectors. Specifically, the Five-Year Economic and Social Development Plan in the 6th Party Congress (1986) identified 7 major aspects that both the central and regional governments were required to accomplish. They included: (1) producing sufficient food and exported goods; (2) developing heavy industry and infrastructure; (3) stabilizing prices, commerce, finance, and money; (4) investing in science and technology; (5) stabilizing social issues and people’s lives; (6) regulating investment directions and mechanism; and (7) renovating the economic management mechanism. Task number 4 recognized the importance of training highly skilled workforce for the economic restructuring.

The CPV valued the roles of agricultural production as Vietnam was a tropical fertile country with millions of hectares of wild land which could have been exploited for rice planting. The state provided farmers with property rights and carried out price and trade reforms. The labour workforce was freed from working on public projects targeted by the government. Instead, they were encouraged to take advantage of the fertile land to increase yields. This policy also stated that Vietnam’s development was guided in accordance with the economic model adopted in the USSR, the communist community, and Cambodia and Laos. Running the economy in this way enhanced their willingness to participate in the international labour division and cooperate with the communist bloc.

In May 1988, Politburo Resolution Number 13 was issued. It employed a multi-directional foreign policy (Thayer & Amer, 1999, p. 2). Under this resolution, Vietnam began to normalize the foreign relations with China, improved the existing relations with ASEAN, and expanded foreign relations to Western, Northern European countries and Japan. The CPV also sent skilled and semi-skilled workers to the other communist countries, considering these workers as “an organic component of the labour scheme” (The Five-Year Economic and Social Development Plan of the Sixth Party Congress, 1986, p.

9). This initiative was believed to guarantee economic development and national labour division. Another innovative sign in the international economic relations was the extension of Vietnam's relations to more developing countries and private enterprises in the capitalist world (ibid, p. 11). This plan recognized that overseas Vietnamese communities could contribute a great deal to the economic and scientific development of the nation. It also addressed the need to renovate the existing policies to call for more contributions from these communities.

Although some detriments were identified such as social degradation, increasing school and health service fees, and widening gaps between the rich and the poor, this Đổi Mới policy allowed Vietnam to open its economic door to both domestic private sectors and foreign countries. Human capital was initially referred to as one of the major contributors to the nation's efforts in restructuring the economy.

The 7th Party Congress (1991 – 1995): Education and science used to join the international forefront

After the 6th Party Congress, Vietnam observed considerable successes in developing privatization in agriculture and business, employing the land law, liberalizing foreign exchange controls, removing state subsidies, and reforming the existing tax regimes. The Country Construction Platform for the Excessive Pathway to Socialism (1991) proposed macro-changes in economy, society, national defence and security, and foreign relations.

In terms of economy, the CPV continued to place a strong focus on the refinement of the multi-sector economy. To develop a healthy economy, the country needed to extend its foreign relations to the international community and be supported by technological advances. The CPV recognized that the collapse of the USSR taught Vietnam a lesson in operating an autarky economy and following a slow pace in technological development. One of the objectives of Vietnam's foreign relations during that period was to continue to expand their relations to "any countries without discrimination against their political and social regimes" based on mutually fair and beneficial cooperation (The Country Construction Platform for the Excessive Pathway to Socialism, 1991, p. 5). Vietnam changed its foreign relations with the existing communist states to multilateralism. The multi-directional foreign policy was aimed to be fivefold: (1) normalization with China in 1991 after years of internal conflicts, (2) restoration of official assistance from Japan in 1992, (3) normalization with the US in 1995, (4) joining ASEAN in 1995, and (5) construction of a framework agreement with the European Union (EU) (Thayer, 1999, p. 5).

Following the 7th Party Congress, the country saw some major changes in its foreign relations and economy. Most of the objectives targeted in the 1991 Platform were achieved. For example, Vietnam joined ASEAN in 1995 and committed to ASEAN Free Trade Area in 1995. To become an official member of ASEAN, Vietnam officially withdrew their troops from Cambodia under the explicit influence of Malaysia's Prime Minister Mahathir and Thai Prime Minister Chatchai Chunhawan (Thayer, 1999, p. 3). By being a member

of ASEAN, Vietnam changed its image from a “communist trouble-maker” (ibid., p. 4) to a socialist country aiming for a market-oriented economy. The transformation in both politics and foreign relations led to a transformation in its economic relations which could in turn reinforce its domestic renovation (ibid, p. 8). After the collapse of communism in the Easter Europe and the USSR, Vietnam quickly adapted to the global environment by reorientating its external economic relations from dependency on the USSR to East Asia through the lifting of the embargo on trade, aid, and investment imposed by the US, the neighbouring countries and Japan. Vietnam was able to establish relations with the UN Security Council member states, Europe, North America, and East Asia.

By the end of 1996, Vietnam had extended diplomatic relations to 163 countries compared to only 23 non-communist countries in 1989 (Thayer, 1999, p. 5). In addition, law on foreign investment which had been passed in 1990 became effective, and it was amended in 1992 to reduce bias against foreign-owned companies and introduce build-operate-transfer (BOT) options. Foreign exchange trading floors opened at the State Bank of Vietnam, and regulations on establishing export zones were promulgated. Vietnam also signed a trade agreement with EU for quotas allocated to garment exports. ASEAN’s investment increased tenfold from 1991 to 1994 with around 147 projects valued at US\$1.4 billion in 1994 and with 37 development agreements signed (ibid, p. 4). The CPV considered technology and science important to all aspects of life and production. Science and technology were playing the key role in developing an effective workforce. Again, education was viewed as the nation’s foremost priority.

The 8th Party Congress (1996 – 2000): Education and science used as engines for economic growth

The Five-Year Economic and Social Development Plan of the 8th Party Congress (1996) announced the country’s industrialization and modernization processes.

This plan celebrated some milestones the government had achieved. For example, GDP per capita increased twice from 1990. The annual GDP rate reached to 9%-10%. Inflation came down to under 3% in 1996. Exports were diversified with garments, footwear, and processed agricultural produces (Mallon, 1997, p. 12). In 1995, in addressing foreign relation issues, Prime Minister Vo Van Kiet praised the normalization of diplomatic relations with the US and ASEAN as two major achievements the government had obtained as targeted in the previous CPV Congress (Thayer, 1999, pp. 10-11). The CPV insisted on being friends with all countries. Nevertheless, as Mallon (1997, p. 34) notes, there was a hierarchy in Vietnam’s external relations from relations with ASEAN first, followed by China, the US, and then other countries including Japan, South Korea, EU, and Australia. The bilateral relations between Australia and Vietnam were first established on February 26, 1973 but were strained for some time after 1996, when the Liberal and Coalition Parties were elected, and the Australian financial support for the My Thuan

Bridge in Vietnam was withheld. While Vietnam remained silent, China, Indonesia and the Philippines forced the Australian Government to continue the assistance. The project was eventually continued with the first visit by Australian Foreign Minister Alexander Downer after the 8th Party Congress.

The government aimed to develop the multi-sectoral economy with more applications of science and technology in production. It emphasized that to obtain this target, human capacity development and training was the key role, and education and training in terms of size, quality and effectiveness would be invested to a higher level to increase people's intellectuality.

Another special feature in this congress is that education was not included in the socio-economic and political report, but it stood itself as a separate report. This shows that the government and CPV began to acknowledge education as a prioritized aspect. This report targeted to consolidate the universalization of primary education by 2000 and speed up the universalization of lower secondary education. Circular 22/GD-DT allowed private sectors to establish schools, vocational colleges, and universities under the permission of MOET or provincial departments of education and training (Circular 22/GD-DT). This means that education was mobilized from all sectors and resources and started from the very basic level of education to the higher education sector.

The 9th Party Congress (2001 – 2005): Reaching out to meet the need for human capacity building

The Five-Year Economic and Social Development Plan of the 9th Party Congress (2001) noted some economic shifts from agriculture (accounting for 20.9% of the total economic capacity) to industry and services (36.7% and 38.1% respectively).

This plan focused on the mobilization of internal forces two of which were human capacity and people's physical resources. One of the major tasks the CPV had to quickly complete was to move Vietnam out of the list of low-income countries. To achieve this aim, the country shifted the purely agricultural economy to an industry- and service-based economy as constantly mentioned in the previous congresses. The CPV emphasized the development of science and technology, education, and training by continuing to privatise educational institutions, and creating a breakthrough in service sectors. Investment priority would be given to service sectors with large potential and high competitiveness such as transportation, commerce, tourism, banking, and telecommunications. This plan, for the first time, indicated that Vietnam aimed to develop a knowledge-based economy while it was preparing to enter the World Trade Organization.

With regards to the issue of human capacity building, the government spent 11.63% of the GDP on education in 2000, 11.89% in 2001, and 12.03% in 2002 (CPV, 2006). The CPV called for Vietnamese expatriates (called Viet kieu) to return to Vietnam for national contributions and construction of national solidarity as they were considered as an inseparable part of the community of Vietnamese nationality. The central government in consultation with relevant ministries designed policies and measures to facilitate their

return for visiting families, doing business, and developing cooperation in science, technology, art, and culture. When referring to overseas Vietnamese people's contribution, Mr. Vu Mao (2005), Director of Foreign Relations Committee, said that Decision 08-NQ/TW issued by the Politburo on November 23, 1993, was revised and amended by Decision 40/2004/QH11. This decision created favourable conditions for Vietnamese expatriates to return and contribute to Vietnam. Mr. Vu Mao reported that Viet kieu could rent houses in Vietnam on a long-term basis, set up branches for their foreign based companies, get income tax reduction, and shorten waiting time for paperwork procedures. This decision also evaluated knowledge transfer projects which connected Vietnamese expatriates worldwide to domestic researchers. The construction of excellent research centres at national universities was also started in this period to attract international scientists, particularly those who had been trained overseas, to teach and do research in Vietnam.

The 10th Party Congress (2006 – 2010): Deepening multilateralism and training human capacity for scientific progress

The CPV's Secretary General Nong Duc Manh (Nong, 2006) reported that there was a rapid economic growth in the last five years with the annual GDP growth of 7.5% which placed a solid step for the country to continue the industrialization and modernization processes.

Mr. Nong Duc Manh emphasized the solidarity of all ethnic groups in Vietnam and overseas, considering their support as an internal force for the country's economic and political stabilization (Nong, 2006). To advance to socialism, Vietnam had to actively participate and integrate in the world's economy by employing scientific successes. According to Nong Duc Manh (ibid.), to shorten the way to industrialization and modernization, Vietnam had to develop its economy in close relation to the development of knowledge which would then create a foundation for the knowledge economy. Knowledge was viewed as an important element in the economic production. Therefore, the CPV aimed to develop high-tech, processing, and software industries by encouraging all economic sectors and foreign investors to join this process. The government also spent 12.85% of the GDP on education in 2008 (CPV, 2006).

In terms of foreign relations, the CPV continued to be friends with all countries, stabilize the existing relations, and extend diplomatic relations to all ruling parties in the world. For example, the relations with Australia were improved dramatically with a major landmark of the signing of the Australia – Vietnam Comprehensive Partnership in 2009. The two countries decided to reach a bilateral understanding, cooperation and assistance in information exchanges, technical assistance, exchanges of personnel, and training and human resource management. This treaty valued global trade liberalization in economic aspects and their efforts to accelerate trade cooperation in key

sectors such as infrastructure and urban development, mining energy, manufacturing, agriculture, finance, education, and other services in the Asia-Pacific region. Australia also committed to providing scholarships to Vietnamese students to help Vietnam develop its human capacity. Australia and Vietnam acknowledged the existing links between the two countries across many social levels from business, academic fields, media, culture, non-governmental agencies, to friendly and sporting associations. These links were promised to be maintained and developed through further cooperation in the fields of culture, sports, and tourism. Another feature of the sustainment of these links is the Australian commitment to providing significant opportunities to Vietnamese people to work in Australia under the temporary skilled migration program and enhancing their consular services.'

The 11th Party Congress (2011 – 2015): Prioritizing human capacity building for global and regional integration

The 2011 – 2020 Economic and Social Development Strategy (2011) recognized that Vietnam was approaching the average income country league. This strategy acknowledged the internationalization of labour and international labour division enabled Vietnam to participate in international production networks and global value chains.

The CPV continued to employ favourable policies to train key personnel in science and technology, recognize talents from in Vietnam and overseas. Decision Number 579/QĐ-TTg on Vietnam's human capacity building strategy (2011) signed by Vice Prime Minister Nguyen Thien Nhan on April 19, 2011 stated that the government considered human capacity as the foundation and the most important advantage for the country "to develop sustainably, advance the country in the international arena, to integrate globally, and stabilize the society" (p. 1). Higher education was charged to train highly skilled people in science and technology. These skilled workers were supposed to have abilities to do independent valuable research, receive and transfer scientific knowledge. More specifically, this decision aimed to reach the following targets:

Key aspects	Number of highly skilled workers in 2010	Number of highly skilled workers in 2015	Number of highly skilled workers in 2020
Public administration, policy planning, and international law	15,000	18,000	20,000
Tertiary lecturers	77,500	100,000	160,000
Science and technology	40,000	60,000	100,000
Healthcare	60,000	70,000	80,000

Finance and banking	70,000	100,000	120,000
Information technology	180,000	350,000	550,000

Table 1: Number of highly skilled workers needed from 2010 to 2020
(extracted from Decision Number 579/QĐ-TTg, p. 3)

In addition, this decision aimed to increase the number of international-level colleges to more than 10 in 2020, with 4 world-class universities by 2020. The Ministry of Education and Training (MOET) was assigned to carry out this project by extending more relations to international universities in the world, calling for private sectors' investment, and providing English as the medium instruction programs at the national universities. The government allowed Vietnamese colleges and universities to cooperate with foreign educational institutions and to attract more investment from foreign donors (MOET, 2009, p. 9). Key personnel planning was assigned to provincial departments of planning and investment in consultation with the Ministry of Planning and Investment. It also affirmed that talents should be the main engine to develop the nation, and each province should design programs to attract domestic and foreign talents (Decision Number 579/QĐ-TTg, pp. 3-4). The central government encouraged Vietnamese people to study overseas by using the state's budget, their own money, and sponsorship from foreign donors.

The current uses of human resources as an export industry

Vietnam has been facing a shortage of skilled labour despite the large population of 94 million people in 2020. In 2010, 6.4% of the population was reported to hold college and university degrees with 0.2% holding postgraduate degrees (General Statistics Office of Vietnam, 2010). This skill shortage is seen to be primarily caused by the low participation rate of students and the low quality of teaching and learning in higher education (MOET, 2009).

The needs for highly skilled workforce

To meet labour market demands and improve the quality of the existing labour force, the country has increased the stocks of human capital in three main ways. First, the government has attempted to increase the number of higher education institutions from 103 in 1992-1993 to 322 in 2006-2007 (MOET, 2009, p. 9). Second, since 2000, the government has allowed approximately 60,000 lecturers and students to study in developed countries by governmental or international scholarship sources and by students' personal finances (Foreign Press Centre, 2008). Third, with the growing ratio of labour force of approximately 60% of the national population in 2006, the government has sent unskilled labour surplus and skilled labour to other countries as a strategic measure to participate in the global market and an important tool for development (Dang, 2007). According to a report by Ministry of Labour – Invalids and Social Affairs (MOLISA) (2012), although sending people overseas for work was not seen as a direct measure to improve

the quality of the labour workforce, the government considered it as one of the long-term solutions for reducing the unemployment rate, increasing socio-economic benefits, improving skills and knowledge, and expanding positive qualities brought home by these migrants.

Using human resources as an export industry

Within the international labour movement in Asia, which has been increasing since the 1970s and accounting for 28% of the worldwide estimate of 191 million international migrants, Vietnam has recently become one of the source countries of labour (Asis & Piper, 2008, p. 426). According to Dang, Tacoli and Hoang (2003, p. 11), there are now four main types of labour emigrants from Vietnam. The first group includes contracted labour migrants sent by labour brokers. The second cohort consists of permanent migrants or refugees who live in other countries due to political changes after 1975 and who follow family migration schemes. The third group comprises of people seek employment and/or extend their stay, and there are students who have studied overseas but do not return after graduation. The last group includes former labour migrants who attempt not to return to Vietnam after the completion of their work contracts, and undocumented migrants who may belong to the first two groups and trafficked migrants.

In the late 1990s, Vietnam exported 121,752 workers to 40 countries and territories, and this figure rose to 400,000 working in 50 countries and territories in 2006 (Nguyen, 2014). Semi-skilled or sometimes unskilled migration is viewed as an export industry where the Ministry of Labour-Invalids and Social Affairs manages relations with partner countries and controls this migration. Professional migration often happens on a voluntary basis where skilled workers can initiate their temporary migration to another country which has bilateral relations with Vietnam and then switch their status to permanent residence. Most semi-skilled workers perform manual tasks in industries such as textile, construction, electronics assembling, and mechanical maintenance while less than 1% of highly skilled workers work abroad under governmental bilateral agreements on trade and economics, and the rest choose to migrate by their self-initiation. The latter cohort includes students who have received their training overseas but do not return or return but migrate again for work.

Aiming to export semi-skilled workers to other countries, the government established the Department of Overseas Labour (DOLAB, 2012). This department is responsible for devising strategies for labour export and establishing labour contracts with other countries. Under the administration of DOLAB, 168 companies have been established to deal with the business of labour export, and 60% of them are state-owned or state-shared companies (*Thông tin lao động xuất khẩu*, 2012). 30% of these companies were reported to work effectively, 50% were evaluated at the average level of effectiveness, and 20% were considered at the low level of effectiveness (MOLISA, 2012). 50 out of 63 provinces and cities were reported not to maintain any records of returned workers (ibid.).

New markets have emerged through the multilateralism policy of the government although there are only 22 offices based in a few countries (DOLAB, 2005). Since the collapse of communism in Eastern Europe, the government has attempted to send its workers to major labour-importing countries in the Gulf states, newly industrialized countries such as Japan, Hong Kong, Taiwan, South Korea, and Singapore, and other high-performing economies including Brunei, Malaysia, and Thailand (Asis & Piper, 2008, p. 426). Other recent markets have included Australia, the US, the UK, Italy, Sweden, New Zealand, and Canada (Dang, 2010, p. 8). From 1991 to 2001, 158,752 workers were sent to more than 40 countries and territories. Between 2001 and 2002, another 82,000 workers in which 35.5% were skilled or professional workers were sent to foreign countries on specific work contracts, making a total stock of 340,000 in 2003 (DOLAB, 2005).

According to DOLAB (2012), the total number of contracted Vietnamese workers overseas in 2012 was 40,115. The following table presents the actual number of Vietnamese workers being exported to work in some host countries in 2012.

Countries	Number
China	14,005
South Korea	7,561
Japan	3,982
Malaysia	3,568
Laos	3,378
Cambodia	2,593
Macau	1,161
Arab	1,027
Republic of Sip	922
UAE	912
Mozambique	213
Russia	189

Table 2: The number of Vietnamese workers in some countries in 2012

In 2009, the number of Vietnamese workers being exported on labour programs reduced to 65,631 (MOLISA, 2012). This figure reached only 86.5% of the targeted number of 90,000 set by the government. Yet, it generated a revenue of 1.5 billion US dollars annually, equivalent to 6% of the country's total export value (Dang, Tacoli, & Hoang, 2003, p. i)

There are both low skilled workers (*lao động phổ thông*) and skilled workers (*lao động có tay nghề*). Low-skilled workers are reported to be farmers and ethnic minorities who must pay high fees for immigration and brokers' commissions. They are often reported to experience poor working and living conditions, labour exploitation and people trafficking, or do jobs of "3-D" (dirty, dangerous, difficult) (Asis & Piper, 2008, p. 427). The proportion of female workers in overseas labour programs declined to 18% in 2002 due to the government's restrictions on contracts for domestic work and employment in the entertainment industry (Dang, Tacoli, & Hoang, 2003, p. i)

Approximately 20% to 30% of them are skilled workers with college degrees and above who even accept to work in low-skilled employment in other countries (ibid.). Around 70% to 80% of them are not recruited directly by employers in the foreign countries but through labour export service companies. 82,000 workers were reported to borrow loans from banks to pay for the labour export service companies to complete their immigration documents and deposits for their posts in the foreign countries (MOLISA, 2012).

While the door to study and work overseas is now open and work migration can earn the country a stable revenue, skilled migration is said to have a side-effect when a large number of students and professional migrants do not return to Vietnam, causing a perceived brain drain.

Tackling the issues of brain drain

Since 2000, references to brain drain have become ubiquitous in official Vietnamese media coverage (see Nguyen, 2014, for elaboration on this matter). The most common push factor from Vietnam is the economic pull factor in the receiving societies. However, like one of the most common challenges in research into Asian migration which seems to be a “running commentary of a phenomenon in progress” (Asis & Piper, 2008, p. 427), research in Vietnamese migration is not always well-supported by the lack of statistics and harmonization among reporting systems because the issue of international migration, especially refugee movements, remains a politically sensitive domain (Asis & Piper, 2008, p. 428).

There is little available statistical information on Vietnam's brain drain except the findings by Docquier and Rapoport (2012, p. 687) which briefly mention that Vietnam had the highest rates of brain drain, amounting to 26.9% of the trained stocks. Brain drain seems to be unclear in Vietnam because on the one hand, the government encourages the outflows of both students and professional migrants but on the other hand, they claim that they are suffering from a loss of human capital. One of the objectives of the multilateralism politics of the Vietnamese government is to reach out to Vietnamese communities of around three million people in foreign countries who left the country as refugees after 1975 and non-return students. Both the central government and provincial people's committees design different plans to call for Vietnamese expatriates' contributions. Many physical incentives and favourable conditions are drafted to attract highly skilled expatriates such as Decision Number 21/2009/QD-UBND DN, Decision Number 03/2009/QD-UBND HY, Decision 44/2010/QD-UBND CT, and Decision Number 579 (see Nguyen, 2014, for more details). These decisions offer specific benefits to Vietnamese expatriates holding graduate degrees, academic titles, and research outputs. For example, people with doctoral degrees can receive 2,000 USD as a reward, financial support for owning a house in the city centres, administrative support for legal affairs, and being appointed to key positions at workplace. Similarly, associate professors can receive approximately 3,000 USD, competitive salaries that are at least equal to the wage they get in their

country of residence. These materialistic benefits are aimed to ease these people's transitional processes and at the same time, improve Vietnam's attempts to attract skilled labour. What is more, with Decree Number 135/2007/QĐ-TTg, the government has applied visa exemption for overseas Vietnamese expatriates who can apply online for this exemption and can stay up to 90 days in Vietnam. In addition to staying temporarily in Vietnam, they can even stay if they want and are entitled to as many full rights and obligations as other Vietnam-domiciled citizens by retaining their Vietnamese citizenship since July 1, 2009. This quasi-dual citizenship can be achieved in case they live in countries which allow dual citizenships, and they have not quit their Vietnamese citizenship before.

Concluding remarks

Human capital is not solely individuals' assets, as this paper has argued. Instead, it is a public asset used for socio-economic development. It is developed, used, retained, and attracted through many phases that have accorded with international and national agendas.

The analysis of the key policy documents in this paper has shown that human capital in Vietnam was almost neglected from 1975 to 1986. The Open Door Policy in 1986 initially valued the importance of human capacity building for the economic restructuring and sustainment of the diplomatic relations with the communist bloc. The successive periods have seen the increasing roles of human capital in the government's attempts to join the global market through their multilateral approaches. It has been trained, used, and retained by the government's investment in education, labour export industry, as well as talent and diaspora strategies. However, the country has confronted a large outflow of highly skilled people who migrate for work and study, and some of whom do not return. Since 2000, the issue of brain drain has been raised as a rhetorical discourse. The government has employed a two-pronged approach to managing the outflow and return of the highly skilled workforce. On the one hand, such outflows are encouraged as they generate economic revenue for the country. It can also help Vietnam participate in the international labour division. On the other hand, the country has applied different punishment measures for non-returning migrants and extensively called for Vietnamese expatriates' contribution to the modernization and industrialization processes.

In conclusion, Vietnam has considered the training, retain, and use of human capital for different economic, political, and diplomatic purposes. Human capital, in this sense, is not solely an individual's asset, but it is a publicly shared property. While movements for work and study have become freer due to the open door of the government, this decision ultimately remains an individual choice.

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