

# Transnational Education in Vietnam

EXPLORING OPPORTUNITIES FOR THE UK

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# EXECUTIVE SUMMARY

- Transnational education (TNE) in Vietnam consists of several types of partnerships, involving franchised degree partnerships delivered by Vietnamese universities, foreign-invested HEIs, joint degree partnerships, articulation or credit transfer agreements and distance learning courses.
- Franchised degree partnerships, delivered by local Vietnamese institutions but awarding overseas degrees, make up the majority of approved overseas degree programmes in the country. These programmes often allow students to choose between studying the entire course in Vietnam or moving to the home campus part-way through the programme, but in most cases only a relatively small proportion of students choose to articulate.
- Franchised degrees require approval from the Ministry of Education and Training (MoET). Approval is based on requirements set out in the recent Decree 86 and usually takes several months to receive. Requirements cover areas such as course content, which should be equivalent to a course already offered at the overseas institution; language of instruction, which should be in English (or the relevant foreign language); and standards for the qualifications of both teaching staff and incoming students.
- Joint degree programmes that involve teaching delivered in Vietnam by staff of the overseas institution have identical approval requirements to franchised courses but are much less common.
- According to the most recent government data, Vietnam had 256 active overseas degree programmes as of March 2017. A slight majority are at the bachelor's degree level, and around two thirds are in business-related fields. The UK is the leading partner country with 60 active programmes in total.
- Vietnam has no separate legal status for branch campuses awarding overseas degrees but allows overseas investors (including universities) to set up private foreign-invested HEIs in the country. These HEIs can go through the same approval process as other local universities to offer franchised overseas degree programmes. The recent Decree 86 tightened the restrictions on foreign-invested HEIs, most notably by increasing the minimum investment capital to VND 1 billion (£33 million).
- Other transnational education or partnership options used by overseas universities in Vietnam include articulation or credit transfer partnerships with local universities and distance learning programmes. However, student numbers are relatively low compared with franchised degree partnerships or overseas study in the UK.
- Other than local university programmes and overseas study, Advanced Training Programmes and High Quality Programmes also represent competition for UK transnational education. These are fully or partly English-medium programmes based on an overseas curriculum but awarding a local degree. These programmes tend to be more prestigious than either regular local HE courses or transnational education.
- Vietnamese universities have generally positive attitudes towards setting up new franchised or joint degree partnerships. Universities see TNE as a separate market sector to domestic courses, attracting different students as well as bringing advantages in terms of internationalisation, staff development and boosting the local university's reputation. If setting up new partnerships, most interviewed universities commented that they would prefer to offer degrees in fields that do not overlap with their existing franchised programmes.
- Interviewees see the market for generic business programmes and MBA programmes as saturated but believe there is still strong unmet demand for specialised business-related fields such as logistics management or hospitality. Demand for programmes outside the broad business field is lower but growing over time. Local education authorities have more positive attitudes towards areas that support the country's development but will approve courses in all subject areas, so long as they meet the requirements set out in Decree 86.

# INTRODUCTION & RESEARCH METHODOLOGY

**Vietnam is an important market in East Asia for both student mobility and transnational education. Statistics from the Higher Education Statistics Agency (HESA) show that 3,890 Vietnamese students studied in the UK in the 2016-17 academic year, with a further 2,810 students enrolled on UK HE programmes in-country<sup>1</sup>. The most recent list of registered cooperative HE programmes published by Vietnam's Ministry of Education & Training shows that the country had 256 active programmes, including 61 with UK partners; the majority of these follow a franchise model.**

Regulations on overseas involvement in Vietnam's education sector were recently overhauled by Decree 86, which came into effect in August 2018. This decree covers foreign-invested education institutions in Vietnam as well as rules for cooperation between local and overseas institutions.

To better understand the opportunities for transnational education in Vietnam – including both the prospects for UK branch campuses and the environment for franchised, joint or dual degree programmes in partnership with Vietnamese institutions – the British Council has conducted research consisting of a combination of desk-based research, telephone interviews and in-person interviews with key stakeholders:

- Desk research covering the current status of Vietnam's international higher education market, focusing particularly on transnational education – including the franchising or validation of degrees, joint degree programmes, credit transfer agreements, branch campuses and distance learning.
- Interviews with Vietnamese universities currently engaged in transnational education or with potential to do so.
- Interviews with relevant government officials, to understand the relevant policies and potential future changes.
- Focus group discussions with Vietnamese students who have studied for overseas qualifications within Vietnam or who are considering doing so.

Key research topics include current policies related to TNE, including permitted types of partnerships and relevant regulations or approval procedures; government support for TNE partnerships; the scale and format of current TNE activity (both with the UK and with other partner countries); student attitudes and potential student demand for new partnerships; and university attitudes towards future TNE cooperation.

<sup>1</sup>This figure excludes students registered at Oxford Brookes University through partner institutions, as most of these are enrolled on ACCA courses rather than HE programmes

# MACRO ENVIRONMENT

## 3.1 Economic & demographic background

Vietnam is classed as a lower-middle income country with a per-capita GDP of around US\$2,300 in 2017<sup>2</sup> – well below neighbouring China and several fellow ASEAN members such as Malaysia and Thailand, but comparable to Laos and well above that of Cambodia.

Since the “Doi Moi” market-based reforms began in 1986, Vietnam has undergone an extraordinary transformation from one of the world’s poorest countries, with foreign direct investment playing an important role in its growth. The country has experienced real GDP growth of around 61 per cent over the last decade, equivalent to an annual growth rate of 4.9 per cent

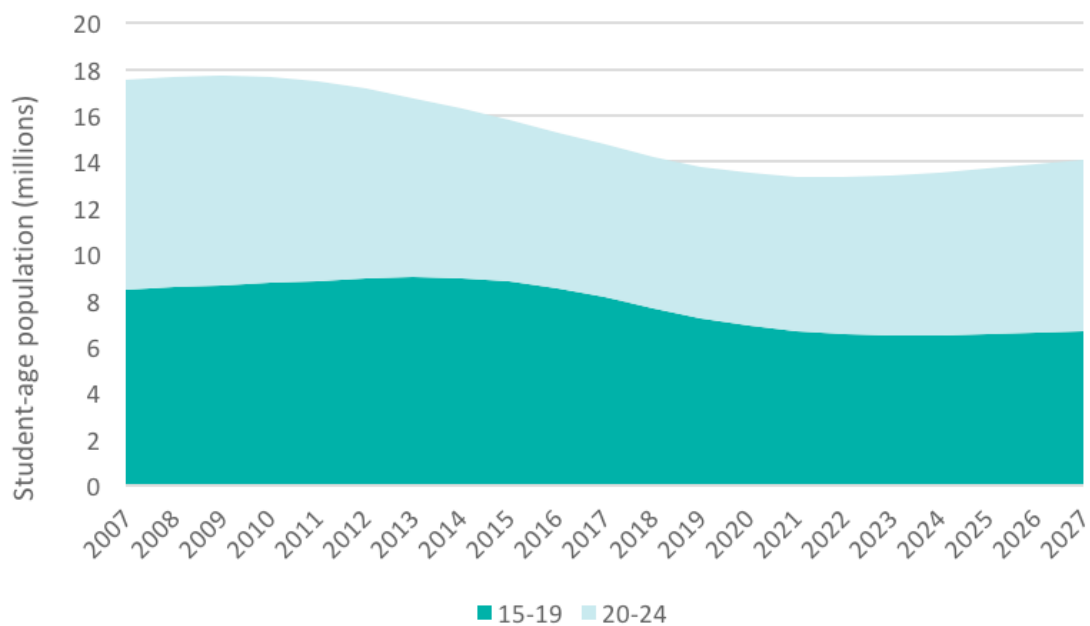
Vietnam is currently following its Five-Year Socioeconomic Development Plan (2016-2020), which calls for an acceleration of GDP growth to between 6.5 and 7.0 per cent, with industry and services making up a larger proportion of total GDP.<sup>3</sup> The government has further outlined six priority industries for support: consumer electrics/electronics, food processing, shipbuilding, agricultural machinery, environment and energy saving, and automobiles and vehicle parts.

In the longer term, Vietnam’s Ministry of Planning and Investment has worked with the World Bank to produce a report titled “Vietnam 2035”, which sets out goals and recommendations to help drive the country’s economic and social modernisation. Although this does not have official status as a national policy, it is believed to be an important driver behind government planning. Recommendations in the report include balancing economic prosperity and environmental sustainability through developing market institutions such as a well-regulated and inclusive financial sector, supporting the growth of industrial clusters and embarking on an “aggressive agenda to spur learning and innovation”; promoting equity and social inclusion, for example by expanding the pension system, increasing the proportion of children completing upper secondary school and reducing the barriers to inclusion for ethnic minorities; and bolstering the state’s capacity and accountability through measures such as clearly demarcating public and private spheres, enforcing market competition and streamlining state participation in the economy.

From a demographic perspective, the number of 15- to 24-year-olds in Vietnam peaked in 2009 and by 2017 was already 17 per cent below its peak. According to the UN Population Division this roughly student-age population will fall by a further 10 per cent over the next few years but will return to growth after 2023 and recover to its 2017 value by 2030.

<sup>2</sup> World Bank

<sup>3</sup> <http://www.chinhphu.vn/portal/page/portal/English/strategies/strategiesdetails?categoryId=30&articleId=10057712>

**Figure 3.1: Vietnam's student-age population over time**

Source: UN Population Division

Compulsory education in Vietnam consists of five years of primary school and four years of lower secondary education, with a little over 60 per cent of pupils continuing for a further three years at the upper secondary level which leads to the Upper-Secondary School Graduation Certificate. This certificate is considered below the level of GCE A-levels but above GCSEs. As a result of the falling student-age population the number of students at Vietnam's upper secondary schools has also decreased despite increasing enrolment rates.

### 3.2 Higher education in Vietnam

Higher education in Vietnam falls under the authority of the Ministry of Education and Training (MoET), while the Ministry of Labour, Invalids, and Social Affairs (MoLISA) is responsible for technical and vocational training. At the undergraduate level, students study for a three-year college diploma or a four-year bachelor's degree, while postgraduates study for two years for a master's degree and 3+ years for a PhD. Entrance to higher education is based on standardised national examinations, which were merged with the country's high school graduation examination in 2015.

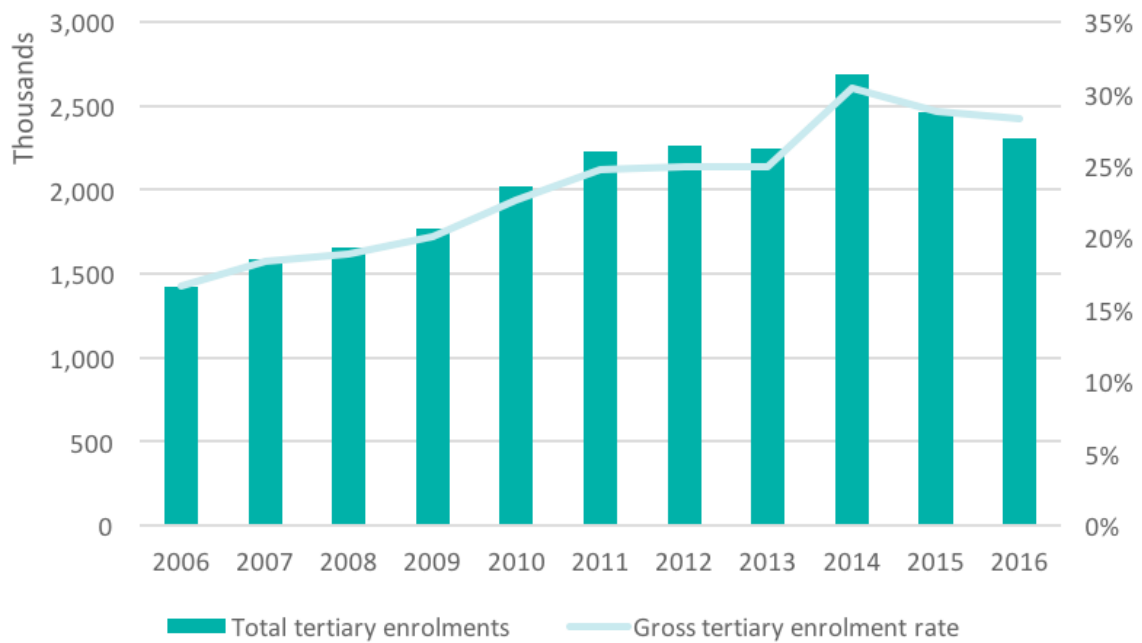
The country currently has 236 universities (including 171 public institutions, 60 private and 5 foreign-invested HEIs) and 387 colleges. The public sector total includes 7 member institutions of Vietnam National University Hanoi and 6 member universities of Vietnam National University Ho Chi Minh City.

Data from UNESCO shows that around 2.3 million Vietnamese students were enrolled in tertiary education in 2016, including diploma, bachelor's degree and postgraduate students. Student numbers increased very quickly until around 2011, with a 98 per cent increase from 2001 to 2011; however, the rate of increase has been much slower in recent years

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and the number of tertiary students has fallen between 2014 and 2016. Gross tertiary enrolment rate now stands at a little over 28 per cent, down slightly over the last two years although to a lesser extent than total enrolments.

**Figure 3.2: Total tertiary enrolments in Vietnam, 2006-2016**



Source: UNESCO

Vietnam’s HE policy aims to increase standards as well as expand enrolment. By 2020 the country aims to “basically reach the regional standards with some world-class universities” and to increase the total number of HE students as a share of the total population as well as specific aims to increase the number of master’s degree and PhD students per unit population.<sup>4</sup>

<sup>4</sup> Nha & Tu, Higher Education Reform in Vietnam: Current Situation, Challenges and Solutions, VNU Journal of Science 2015



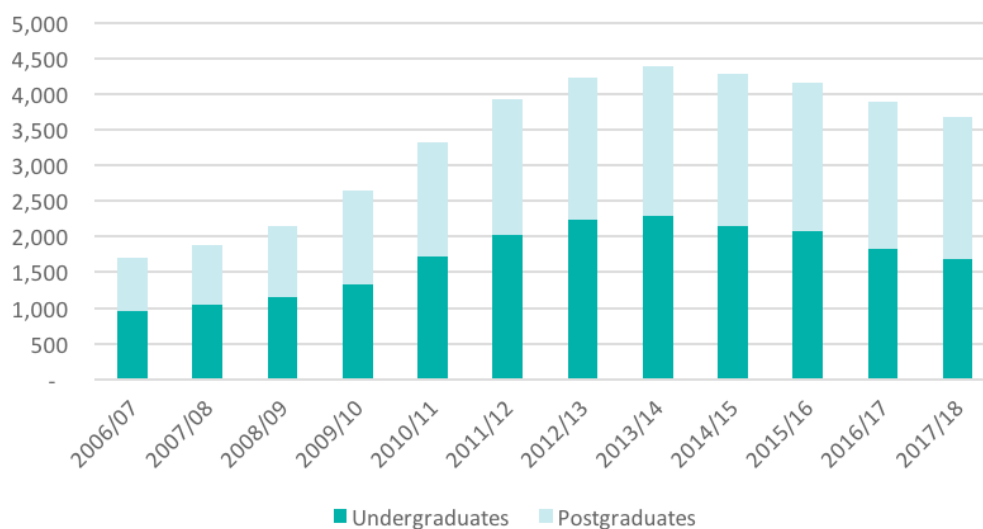
### 3.4 International mobility of Vietnamese HE students

According to UNESCO estimates, around 70,000 Vietnamese students were studying overseas in 2016,<sup>5</sup> a substantial increase over the figure of 52,000 five years earlier. In recent years Japan has become an extremely popular study destination and now represents the top destination for Vietnamese students with over 35,000 Vietnamese students in Japanese HEIs in 2017, not including short-term language students, which is more than eight times the figure five years earlier.<sup>6</sup> However, various media sources report that many of these students do not have education as their main goal but have registered on courses to take advantage of policies which allow foreign students to work in Japan.<sup>7</sup>

The leading English-speaking destination for Vietnamese students is the US, with a little over 22,200 students enrolled in HE programmes in 2017/18 – up by 9 per cent over the previous year or 48 per cent over the last five years.<sup>8</sup> Meanwhile Australia attracted over 15,000 Vietnamese HE students in 2018, up by 5 per cent year on year or 41 per cent since 2013.<sup>9</sup> And the number in Canada rose by 22 per cent to reach a little over 3,000 in 2016-17, more than double the number five years earlier.

In contrast to increases in other English-speaking countries, the UK has seen a fall in market share over the last few years. The number of Vietnamese students at UK HEIs fell 5.4 per cent to 3,685 in 2017/18, bringing student numbers back to roughly the level seen five years earlier.<sup>10</sup> This is a stark contrast to the trend over the preceding five years when Vietnamese student numbers more than doubled. Both undergraduate and postgraduate numbers have fallen, although the trend has been more pronounced at the undergraduate level.

**Figure 3.3: Vietnamese HE enrolments in the UK**



Source: HESA Student record 2006/07-2016/17

<sup>5</sup> UNESCO

<sup>6</sup> JASSO

<sup>7</sup> <https://english.vietnamnet.vn/fms/education/171718/more-students-register-to-study-in-japan-for-work-purposes-only.html>

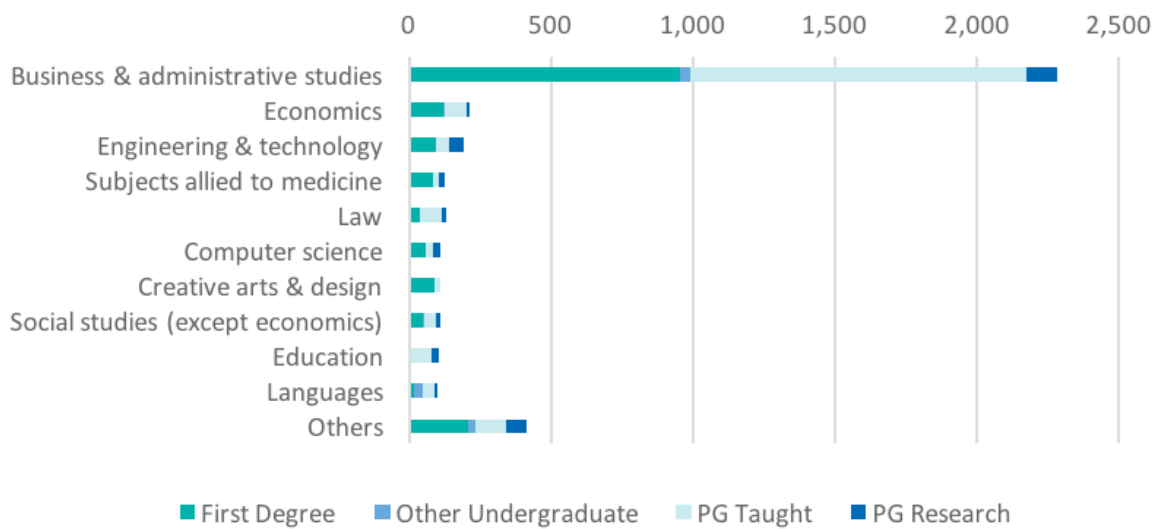
<sup>8</sup> IIE. Figures exclude students enrolled on the OPT (post-study work) scheme.

<sup>9</sup> AusTrade

<sup>10</sup> HESA

Vietnamese students in the UK have a strong preference for business-related courses, with business and administrative studies accounting for more than half of undergraduates and over 60 per cent of postgraduates – far more than these students’ 19 per cent share of domestic HE students in Vietnam.<sup>11</sup> The second most popular broad subject area, social studies, trails far behind, accounting for only 8 per cent of all Vietnamese students; around two thirds of the students in this field are studying economics which would still be the second most popular subject area if treated separately. Engineering & technology is the third most popular field at both undergraduate and postgraduate level but accounts for less than 5 per cent of all Vietnamese students.

**Figure 3.4: Subjects studied by Vietnamese HE students in the UK, 2017/18**



Source: HESA Student record 2006/07-2016/17

Beyond English-speaking countries and Japan, significant numbers of Vietnamese students also choose to study abroad in China, France and Taiwan. Relatively few students come from overseas countries to study in Vietnam’s own universities, with the exception of Laos, which sent around 4,300 students in 2016.

<sup>11</sup> MoET

# TRANSNATIONAL EDUCATION IN VIETNAM

## 4.1 Mode of TNE delivery

Transnational education in Vietnam can be divided into six main types of programmes or partnerships. A summary of each of these different modes of delivery, along with government approval requirements, is given below.

### 4.1.1 *Franchising and validation*

Franchised degrees are the main form of transnational education partnership in Vietnam. Many Vietnamese public or private universities offer franchised programmes from overseas universities, with the UK being the most common partner country. Most but not all franchised programmes are at the bachelor's degree level.

Other than supplying the curriculum and awarding the degree, the overseas partner institution typically provides quality assurance, acts as an external examiner, and approves staff of the Vietnamese institution who deliver the programme. The format of this training varies and can be delivered online rather than in-person. In some cases, the overseas institution also marks exams and/or sends staff to Vietnam to assist in recruitment activities, although the overall recruitment plan and activities are run by the local partner. Students typically pay their tuition fees to the Vietnamese institution, which then pays a set per-student fee to the overseas partner university.

Most Vietnamese universities require approval from MoET to offer franchised degree programmes, which is discussed in more detail in Section 4.2. The key requirements for this approval are to show that the overseas partner is a genuine accredited university in its home country and offers the proposed course in a substantially similar form, as well as providing evidence that the local partner has appropriate resources to deliver the course. A few autonomous Vietnamese universities have the right to approve their own franchised programmes without needing to go through MoET. The degree of scrutiny applied to these applications can vary, with more prestigious public universities reporting a smoother approval process than smaller or private institutions. MoET also sets requirements such as minimum language proficiency for entrants, which are also discussed in Section 4.2.

Franchised programmes often allow students to transfer to the home campus for the final year, or in some cases two years, of the course. In most cases the large majority (more than 80 per cent) of students stay in Vietnam. Although this can vary from case to case – one interviewee said that almost half of their students transferred – in general UK universities should not count on a large volume of transfer students. It is usual for the overseas partner to provide discounts or partial scholarships to these students; according to an interviewee at a Vietnamese HEI a common discount level is 20 per cent.

Some Vietnamese universities do not franchise entire degree programmes but offer an HND course paired with a franchised bachelor's degree top-up year from a UK university. Approval requirements for these HND and top-up courses are the same as at the bachelor's degree level. According to one interviewee whose institution offered such a programme, around 20 per cent of their students go directly into employment after completing the HND programme, 70 per cent complete the top-up year in Vietnam, and the final 10 per cent go overseas, with many heading to the partner UK university.

In addition to students articulating part-way through their course, another form of transfer for these TNE students comes after they graduate from their programme. It is common for students to finish an overseas bachelor's degree in Vietnam and then progress to a master's degree programme overseas. Interviewees commented that a large proportion of these students choose to stay with the partner university from their undergraduate course, which often provides fee discounts or automatic acceptance based on students' degree classification.

Interviewees from Vietnamese universities were generally positive about the potential for new franchised programmes, although some commented that generic business subjects or MBAs were a saturated market and student demand was mainly for more specialised fields. Universities generally prefer to establish a wider range of partnerships with existing partners rather than have a large number of partners, but this is not universal.

Business-related subjects are by far the most popular among students – more than three quarters of all active partnerships (including both franchised and joint / dual degree programmes) are in this field, including management, finance and economics. Eight of the top 10 individual subjects are in business-related areas. The top single subject, business administration, accounts for 21 per cent of all active programmes. Further statistics on existing programmes are provided in Section 4.3.

#### **4.1.2 Collaborative joint / double degree programmes**

True collaborative programmes involving teaching delivered in Vietnam are much rarer than franchised programmes or articulation or credit transfer agreements. However, some partnerships on this format do exist. One interviewed Vietnamese institution, a prestigious public university, works with several overseas universities and insists on collaborative delivery rather than franchised overseas degrees. In this case delivery is divided equally, with 50 per cent of courses taught by the Vietnamese institution while their partners provide the other half through short-term fly-in faculty. Students pay their tuition fees to the Vietnamese institution which remits a flat per-student fee to its overseas partner.

As with franchised programmes, students are often given the option to transfer to the overseas partner university part-way through a joint degree course. In at least one case this is compulsory, which greatly increases uptake compared to the limited number of students articulating when it is optional. Students on this course who are unwilling or unable to study overseas are allowed to return to the Vietnamese university's own regular bachelor's degree course in the same subject to complete a local degree but will not receive the overseas degree certificate.

The Vietnamese government treats jointly delivered programmes the same as franchised degrees and does not set any additional requirements such as a minimum proportion of teaching to be delivered by overseas academics – although as mentioned in the previous section and discussed in more detail in Section 4.2, the programmes do need approval and must meet certain standards.

#### **4.1.3 Branch campuses and other transnational and foreign-invested HEIs**

Vietnam currently has a total of five foreign-invested universities, not including five publicly-funded institutions with strong overseas involvement. However, only one of these – RMIT University Vietnam – is part of a foreign university, while the other four have no overseas home campus.

There are significant differences in the operating models and degrees offered by these transnational universities. Publicly-funded institutions such as the Vietnam German University and the Vietnam-Japan University were launched under the New Model Universities project, aiming at developing top-level research universities with funding from both overseas and Vietnamese government sources. Education is based largely on a curriculum from overseas but the universities award local degrees. Vietnam is no longer planning to open any new publicly-funded universities.

Meanwhile, privately-funded institutions typically offer overseas degree programmes. The British University Vietnam (BUV), founded in 2009, is a good example. It is not a branch of an overseas university but a separate foreign-invested

HEI, although it is run by Taylor's Education Group which also operates private education institutions in Malaysia and Singapore.

BUV's degree programmes mainly award franchised degrees from the University of London or the University of Staffordshire. It is possible for students on franchised programmes to articulate to the UK but in practice only a small proportion of students take advantage of this opportunity; however, large numbers of BUV students progress to master's degree programmes overseas after graduation.

BUV also offers its own Vietnamese-accredited qualifications but runs these according to a franchised UK curriculum after an initial year which largely serves as a foundation programme; students on this course may (and in practice 100 per cent do) register with the overseas partner after completing the first year of the four-year course and receive a UK degree on graduation. According to an interviewee at the university, students are mainly attracted by this UK qualification rather than the BUV degree, but Vietnamese authorities require the university to offer at least some domestically-accredited courses.

Staff at BUV are mainly expatriates and the university requires all academics to have UK teaching experience. This is also the cause of one of the university's main difficulties; according to an interviewee from the university it is difficult to find and attract suitably qualified staff to work in Vietnam despite offering an attractive compensation package.

BUV currently only offers programmes in business-related subjects, including bachelor's programmes in international business management, marketing management, accounting & finance, tourism management, banking & finance and finance & economics, as well as an MBA programme. However, the interviewee commented that the university is looking to expand into other areas over the next few years, with plans to open programmes in IT and design in 2019.

A different type of foreign-invested university is RMIT Vietnam, which operates as a branch of RMIT University in Melbourne, Australia. As Vietnam has no separate legal status for overseas branch campuses the institution has the same official position as other foreign-invested private universities.

RMIT Vietnam awards Australian degrees based on the same programme that the university offers in Melbourne. It gives students the option of transferring to the home campus or other partnering universities at any time after the first year; however, according to an interviewee at the university, the large majority of students (over 90 per cent) complete their entire course in Vietnam. Unlike BUV, RMIT Vietnam has not been required to offer its own domestic Vietnamese degree courses.

RMIT Vietnam has two campuses: one in Ho Chi Minh City, which was established earlier and still accounts for a substantial majority of students, and one in Hanoi. Both campuses work closely together with joint administration and some staff teaching at both campuses. The large majority of staff are hired specifically to work in Vietnam with only occasional guest lecturers from the home campus, but these staff are recruited from around the world with less than a third being Vietnamese. Recruiting suitable staff is one of the institution's biggest challenges and is an important factor constraining growth. In November 2018 teaching staff at RMIT Vietnam submitted a public petition to university administration alleging that they were given less time for lesson preparation, marking and student feedback than peers in Melbourne, combined with higher teaching loads and more service responsibilities.<sup>12</sup>

Business-related programmes still account for the majority of RMIT's students in Vietnam, although the university does also offer programmes in Design, IT and Engineering fields. According to an interviewee these non-business fields are seeing strong growth and the university is looking to expand its programmes in creative and design fields.

<sup>12</sup> <https://www.timeshighereducation.com/news/equivalence-claims-ridiculed-branch-campus-row>

Although the Vietnamese government encourages new foreign-invested universities, approval requirements for foreign-invested universities are strict, most notably including a minimum investment of one trillion VND (around US\$43 million or £33 million) – an increase over the previous VND 300 billion required before the introduction of Article 86. These requirements are discussed in more detail in Section 4.2.

#### **4.1.4 Advanced training programmes / High-quality programmes**

In 2005, the Vietnamese government embarked on a policy to introduce advanced training programmes into top Vietnamese public universities. These programmes “imported” the curriculum of leading global universities, which is delivered in English; however, teaching is delivered by the faculty of the local university and the course awards that university’s degree. The purpose of these programmes was to support both the improvement and the internationalisation of Vietnamese universities.

A total of 35 advanced training programmes were introduced between 2006 and 2010, mainly in STEM fields but with some business-related programmes. These programmes were initially partly funded by the central government, but this funding period has ended and they now are supported by tuition fees (which are higher than those of regular university programmes) and from the university’s general funds.

Although new advanced training programmes are no longer being funded by MOET, universities can now set up their own “high-quality programmes”, with a curriculum transferred from an advanced training programme or imported from an overseas institution.<sup>13</sup> These programmes are taught in a mixture of Vietnamese and English – the minimum requirement is 20 per cent of credits delivered in English, but in practice the actual proportion can be much more. They receive no direct government funding but as with advanced training programmes they can charge higher tuition fees than a university’s regular courses. There are also a number of other internationally-influenced programmes including the Programme de Formation d’Ingénieurs d’Excellence au Vietnam (PFIEV) in cooperation with eight French HEIs and the Professionally Oriented Higher Education (POHE) programme in cooperation with the Netherlands.

In some ways, advanced training programmes and high-quality programmes have a lot in common with franchised or joint degree programmes as they are taught wholly or partly in English and are based on an overseas curriculum. The cost of these programmes is also higher than a regular Vietnamese-medium programme, which makes them less affordable to students from low-income backgrounds. From the perspective of an overseas institution, advanced training programmes represent competition for student enrolment.

However, they also have some important differences. Despite awarding a domestic rather than a foreign degree, advanced training programmes and high-quality programmes are often seen as more prestigious than franchised programmes. High demand from local students means that entry to these programmes is more competitive than a domestic degree course, with additional exams sometimes required beyond those needed to enter the Vietnamese university.

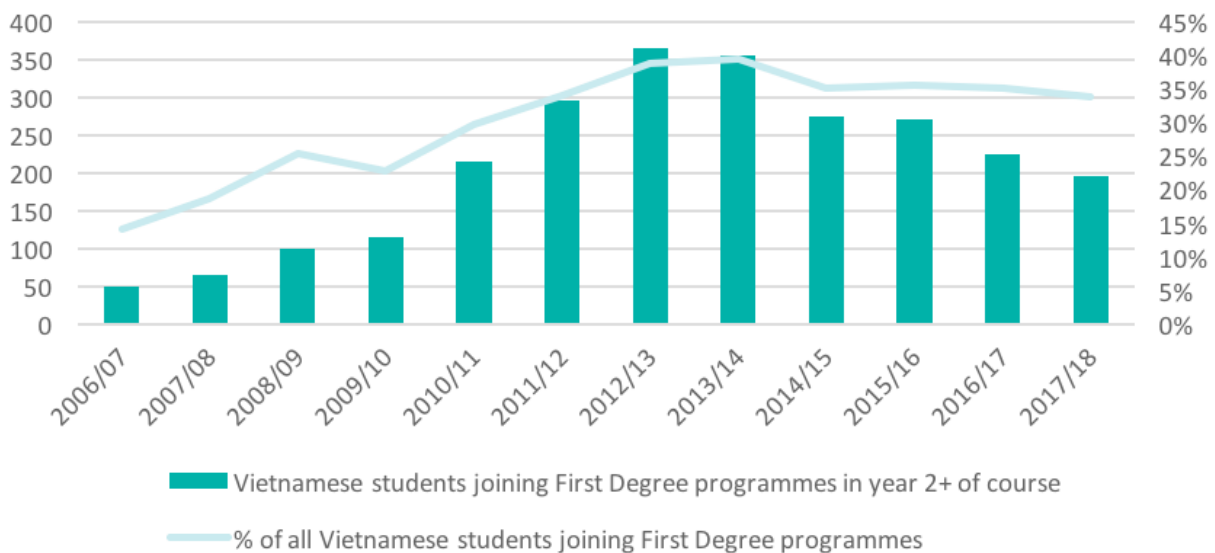
<sup>13</sup> Throughout the report, the term “high quality programme” refers specifically to this type of course and not to other programmes which happen to be high-quality.

### 4.1.5 Articulation and credit transfer

Unlike franchised and joint programmes, no government approval is required for credit transfer or articulation agreements in Vietnam. Instead this is handled entirely at the university level. Agreements with overseas universities are very common, typically at the undergraduate level following a “2+2” model (i.e. students who have completed two years of study in Vietnam and meet the overseas institution’s requirements can enter into the second year of a UK degree course).

Although Vietnamese universities expressed positive attitudes towards this form of cooperation, student transfer numbers are fairly limited. The total number of Vietnamese students entering the UK in the second year or later was only around 195 in 2017/18, around two thirds of whom joined institutions operating joint or franchised degree programmes with partners in Vietnam.<sup>14</sup> This number is down noticeably compared to its peak in 2012/13 in absolute terms and its proportion of all Vietnamese students joining UK First Degree programmes has also fallen.

**Figure 4.1: Students entering UK first degree programmes part-way through the course**



Source: HESA

Due to the small number of students articulating to UK universities through non-TNE partnerships, one UK university representative told the British Council that they no longer consider pure articulation agreements worthwhile – the number of students does not justify the investment of time in terms of assessing and aligning the curriculum and coming to an agreement with Vietnamese counterparts. This university sees franchised degrees as a cooperation model with better future prospects in Vietnam.

<sup>14</sup> Although it is possible that some of the students articulating to universities with joint/franchised programmes are coming through separate articulation / credit transfer agreements

### 4.1.6 Distance learning

Around 365 students in Vietnam were enrolled on UK distance learning in programmes in Vietnam in the 2017/18 academic year. This number is growing at a rapid pace – up 70 per cent compared to four years earlier, or an average annual growth rate of 11 per cent. This is significantly faster than the overall growth rate of UK distance learning globally over this period.

Distance learning qualifications from overseas institutions are not officially recognised in Vietnam, which can cause difficulty for employment in online the public sector although many private companies can still accept these qualifications. However, according to an interviewee in the Department of Quality Accreditation within Vietnam's Ministry of Education and Training, the government is working on an accreditation scheme for online and distance learning which would also cover overseas institutions. This could mean an increased market for distance learning programmes in Vietnam in the coming years.

## 4.2 Government policies towards transnational education

### 4.2.1 Approval of joint and franchised degree programmes

The approval process for both franchised and joint / dual degree programmes is set out in Decree 86, which came into effect in August 2018 and replaced the previous Decree 73.

In most cases MoET is responsible for TNE approval, but some leading Vietnamese universities have been granted autonomy and are able to approve programmes themselves. There are currently 23 autonomous universities, including Vietnam National University (VNU) Hanoi and VNU Ho Chi Minh City, which are federal universities (analogous to the University of London) with a combined total of 13 member institutions. According to an official from MOET there are plans to grant autonomy to more universities which would (among other things) make them able to approve their own TNE.

Even at these autonomous universities, it is important to note that the requirements for programme approval are the same as those imposed by MoET. According to an interviewee at a member institution of Vietnam National University Hanoi the process for gaining approval from central VNU administrators was no less strict than MoET's own system, although at VNU it was easier to discuss the application directly with the responsible colleagues.

MoET imposes a number of requirements on institutions planning to deliver a joint or franchised degree programme. The most important of these requirements include:

- The overseas partner must be a genuine accredited university in its own country, and the degrees awarded to Vietnamese students must be recognised by that country.
- The programme should already be offered at the overseas partner institution in a substantially similar form. Although the course can be adapted to the Vietnamese context, content should not be removed, and any added modules (for example English language classes) should be in addition to the foreign curriculum instead of replacing it.
- If the programme only awards an overseas degree, teaching must be provided entirely in the relevant foreign language – universities are not permitted to teach in Vietnamese, nor are they allowed to provide translation into Vietnamese within lectures. On joint degree programmes, modules from the local partner may be taught in Vietnamese.



- In order to receive an overseas degree, students must reach at least Level 4 on Vietnam’s national language proficiency framework, which is interpreted as being equivalent to IELTS 5.5.
- Minimum qualifications apply to teaching staff, which are higher than the minimum requirements to teach at a Vietnamese university. Lecturers teaching bachelor’s degree courses must have at least a master’s degree in a relevant subject area, while lecturers teaching classes or supervising theses at the postgraduate level should hold a PhD. Teaching staff should also have skills in the relevant foreign language equivalent to at least level 5 on Vietnam’s language proficiency framework, equivalent to C1 CEFR or an IELTS score of 7.0.
- Minimum space requirements apply to joint training programmes – the minimum average area per student, including classrooms, laboratories, libraries and other space used directly for teaching and learning, must be at least 5 m<sup>2</sup>.

Some aspects of Decree 86 are still unclear or open to interpretation. In particular, students at Vietnamese universities are required to study a number of compulsory political courses as part of a degree programme, as well as attending military training. A strict reading of the law would seem to suggest that these should also be taught as part of franchised degree programmes, but providers’ interpretation of this requirement varies – although a few do teach these courses, the majority do not.

Another example of unclear regulations is the minimum required qualifications for staff teaching language modules built into a degree course. One interviewee with campuses in both Hanoi and Ho Chi Minh city described a situation where officials in one city held instructors to the same standard as academics teaching the core degree subject, requiring a master’s degree, while local education authorities in the other city only required that these instructors meet the lower requirements for teachers of language courses.

When applying to establish a new programme, applications to establish a joint training programme (including franchised degrees and joint degree courses) should provide the following information to the Ministry of Education and Training:

- The objectives of the joint training program
- Information on both parties, including proof that they are accredited and have permission to offer programmes and qualifications in the relevant field
- An agreement between the two parties setting out their respective responsibilities and entitlements
- Details of the contents of the programme, including subject area, level of study, forms of assessment, learning materials and the qualifications to be awarded, including the correspondence between any overseas qualifications and their Vietnamese equivalents
- Information on available facilities and equipment
- Initial lists of staff, including CVs of both the teaching staff expected to deliver the programme and the representatives of both institutions who will be responsible for managing the partnership
- Details of enrolment scale, enrolment criteria and tuition fees, and any scholarships or other student financial support
- Financial details, including budget estimates and financial management mechanisms
- Details of the responsibilities and entitlements of teachers and learners and the programme’s “measures for maintaining education quality and protecting benefits of learners and employees”.

In principle approval for a new programme can be granted within 30 days. In practice this is seldom the case, as it is very common for MoET to require applicants to revise and re-submit documents. According to an official at MoET, the two most common reasons for asking institutions to revise their application are curriculum changes that cut out part of the original content (usually by replacing parts of the overseas curriculum with language classes) and applications that do not supply enough details about the relevant teaching staff and facilities. This interviewee also commented that it is important to provide evidence that all details of the collaboration have been approved by the overseas partner, not just that the partner approves of the programme in principle.

The actual length of the process varies significantly, with programmes at prestigious and well-connected Vietnamese universities generally seeing a smoother approval process than those at private institutions. Typical approval times at the former are around two months, compared to 6+ months at less-connected partners, and one interviewee at a foreign-invested university commented that documentation requirements tend to “shift without notice” from application to application, requesting new documents each time that were not required for previous approvals. Some interviewees believed that applications for partnerships in subject areas the government sees as oversupplied (especially MBAs and generic business programmes) would face more scrutiny than those in areas where Vietnamese authorities want to encourage growth.

Nevertheless, in contrast to some other countries in the region, all proposed programmes that meet the requirements set out in Decree 86 will be approved. Although the Vietnamese government believes that there are “too many” business programmes and prefers foreign partners to rank in the global top 500, these are not compulsory requirements and programmes will not be rejected on this basis.

#### **4.2.2 Approval of and requirements regarding foreign-invested universities**

The approval process for foreign-invested universities is more complicated than the process for approving a joint or franchised degree. As set out in Decree 86, the investment should be submitted to the Ministry of Planning and Investment and appraised by the Ministry of Education and Training, with the final decision is made by the Prime Minister.

One very important requirement for a foreign-invested university is that the minimum capital should be at least VND 1 trillion, (equivalent to around US\$43 million or £33 million) and this should be in addition to any costs relating to leasing land. This is the same amount required for a new domestically-owned private university. Joint-venture universities with a Vietnamese partner have a somewhat lower requirement of VND 700 billion (US\$30 million / £23 million) if the university will be using facilities contributed by the local partner institution. These investment levels represent a substantial increase compared to the minimum required capital of VND 300 billion before Decree 86 was introduced.

As well as this minimum investment, Decree 86 sets out strict requirements for teaching staff and facilities. Staff numbers should be at least one lecturer per 10 students on arts courses, one lecturer per 15 students on science and technology courses and one lecturer per 25 students on social science, humanities and economics or business courses. At least 60 per cent of each programme should be taught by permanent staff and at least 50 per cent of all lecturers must have at least a master’s degree, with the rest holding at least a bachelor’s degree. All foreign lecturers must have experience in their relevant discipline, except for those teaching language courses. In terms of facilities a foreign-invested university needs to have a building area of at least 25 square metres per student, including at least 6 square metres per student in “studying area”, 3 square metres per student in dormitory space, and 8 square metres per staff member in offices and administration area.

Approval gives foreign-invested universities the right to offer programmes awarding their own domestic Vietnamese degrees, in line with local laws and requirements. However, foreign-invested universities looking to offer a foreign

degree must go through the approval process described in the previous section to set up a joint or franchised degree programme; this process must be completed for each overseas degree course. This is the case even for institutions such as RMIT Vietnam who offer degrees from their overseas parent university.

According to an interviewee at one foreign-invested university the Vietnamese government does not allow foreign-invested campuses to issue only foreign degrees and requires that at least some programmes award the university's own degree. The university has complied by offering this degree as part of a joint programme which also awards an overseas qualification. However, the rule does not appear to apply to all foreign-invested universities, as RMIT only awards Australian degrees.

There is currently no legal distinction between foreign-invested universities set up by overseas HEIs and those set up by companies or other organisation. Only one of the five private foreign-invested HEIs established so far is run by an overseas HEI. However, according to an interviewed official, MoET is considering creating a separate official status for branch campuses of foreign universities, which could potentially have a lower minimum investment than a domestic foreign-invested university. This has not been officially confirmed and no details have been announced.

In addition to the initial requirements for establishment, additional campuses of a foreign-invested university require further approval and a minimum investment of VND 250 billion (US\$11 million or £8 million) per campus.

In general, regulations that apply to foreign-invested universities after establishment are the same as those for local institutions. In particular, students on local-degree programmes must study compulsory political courses and must attend military training. According to the representative of one local university these political courses are provided on a contract basis by a local domestic university. As with other local universities, the applicability of these rules to students on franchised degree programmes is open to interpretation but interviewees were clear that students who are also (or only) earning a local degree must complete these requirements.

### **4.2.3 Incentives available to transnational education activities**

Historically, government-driven transnational education activities such as Advanced Training Programmes or publicly-funded HEIs such as the Vietnamese German University have received strong government support. However, no explicit incentives are available to foreign-invested HEIs or to joint programmes. One interviewee bluntly stated that “they give us the right to operate and that’s about it”. Foreign-invested HEIs and joint or franchised degree courses must be funded through student fees or be subsidised by the universities involved or other sponsors. Although previous academic research discusses loans extended to private HEIs by Vietnamese authorities,<sup>15</sup> no interviewees reported that their institution had received this kind of support. In addition, subsidised loans provided to low-income students are not applicable to programmes awarding overseas degrees (and in any case would likely be too low to cover the fees for a financially sustainable programme).

Nevertheless, the interviewee’s comment is perhaps unfair when indirect support is considered. HEIs receive favourable tax treatment compared to most other businesses in the country. VAT is not charged on tuition fees, and corporate income taxes at private HEIs (including foreign-invested HEIs) are also charged at a reduced rate: a standard tax rate of 10 per cent compared to 20 per cent in most other sectors; a five-year exception from corporate income tax starting from the first year of making a profit; and a further four-year reduction on payable CIT after this.<sup>16</sup> Other advantages include the ability for foreign-invested HEIs and joint and franchised degree programmes to set their tuition fees independently with no government approval required, making it easier to reach financial sustainability.

<sup>15</sup> Nguyen, *Private Higher Education in Vietnam: Issues of Governance and Policy*, International Higher Education, 2016  
<sup>16</sup> <http://www.vietnam-briefing.com/news/tax-incentives-foreign-investment-vietnam.html>

Although Vietnam does not provide subsidised land to campuses of overseas HEIs, one interviewee did comment that their university had received a very favourable deal on land when moving to a new campus on the outskirts of Hanoi. This was not as a direct result of government support but thanks to a property developer who planned to attract high-quality HEIs in order to make their adjoining residential and commercial developments more attractive.

### 4.2.3 Quality assurance requirements

Vietnam's current policies on quality assurance for higher education were laid out in the Higher Education Law of 2012. This law, which closely links QA and accreditation, set a requirement for all HEIs to have received this accreditation by 2020. This accreditation is at the institution rather than the programme level, but in the same year Decree 73 also required all international joint training programmes to receive accreditation / quality assurance from either foreign or Vietnamese accreditation agencies.

This accreditation is based on a quality inspection with criteria divided into 10 categories: mission and objectives; organization and management; programmes; training activities; staff; students; scientific research and technology development; international cooperation; facilities; and financial management.<sup>17</sup>

In most cases this assessment is carried out by the university's internal QA unit – although external accreditation centres have been established since 2014, an official at the Department of Quality Accreditation within the Ministry of Education and Training commented that only five institutions have chosen an external assessment option. The assessment must be repeated every five years, with a mid-term review provided to the relevant authorities after 2.5 years, and the university should demonstrate continued improvement every year.

At the programme level, the majority of Vietnam's joint training programmes are assessed by overseas agencies rather than local bodies. According to the interviewed official, policies controlling quality assurance are likely to become tighter over time, but this is unlikely to affect partnerships with British institutions which are already meeting stricter UK requirements.

Aside from QA requirements for universities, there are also requirements that graduates must meet for their degree to be recognised by the Ministry of Education and Training. Students whose degree is not officially recognised are often unable to be employed by government bodies or other public-sector or state-owned institutions, although this is not legally enforced; most private companies and some public bodies do accept unrecognised foreign degrees.

To receive this recognition, students must submit evidence of meeting the language requirements set out in Decree 86. This sets the required proficiency as Level 4 in Vietnam's language proficiency framework, equivalent to level B2 in the CEFR framework or an IELTS score of 5.5. (Sub-degree level TNE and programmes that only award a degree from the Vietnamese institution have lower requirements, equivalent to CEFR B1 or IELTS 4.0). In the past this requirement has not been enforced by universities, meaning that some graduates were unable to have their degrees recognised in Vietnam, but enforcement now is much stricter.

There is currently no specific accreditation scheme for online or distance learning in Vietnam. However, the Vietnamese government is working on such a scheme; according to an interviewed official, Vietnam Open University is working with AusTrade to design requirements. This scheme would cover training delivered to students in Vietnam by overseas as well as domestic universities.

<sup>17</sup> Do et al, *Quality Assurance in the Vietnamese Higher Education: A Top-Down Approach and Compliance-Driven QA, The Rise of Quality Assurance in Asian Higher Education* (2017)

Beyond official requirements for quality assurance, it is important that UK institutions working in Vietnam pay close attention to course delivery and ensure that their local partner is strictly following the requirements laid out in their agreement. This is particularly true for programmes recruiting comparatively weaker students.

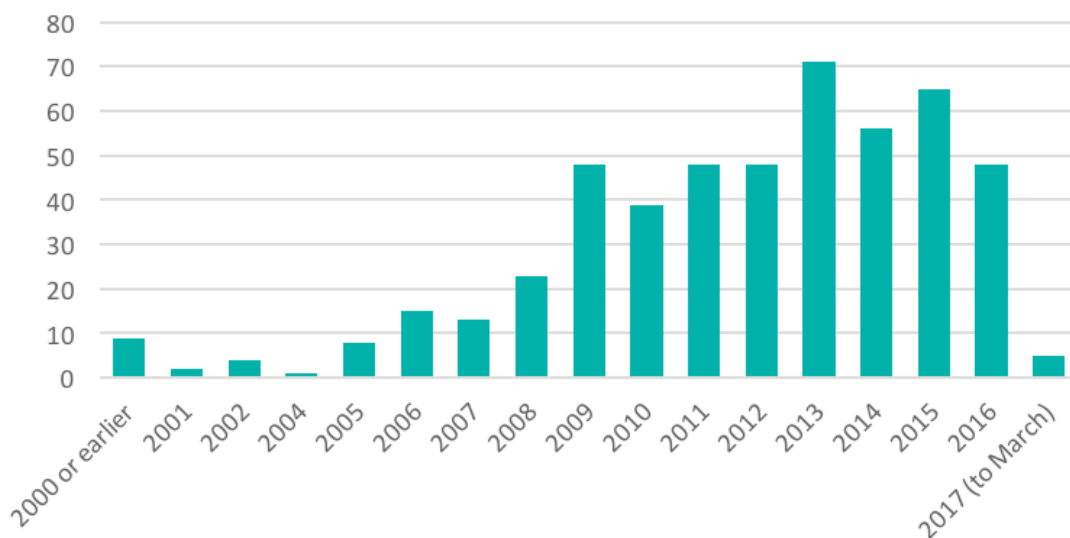
### 4.3 TNE market scale and development

Perhaps the most visible form of transnational education in Vietnam is foreign-invested universities. There are currently five foreign-invested HEIs in the country, including the British University of Vietnam and RMIT’s Vietnamese branch which has two campuses, as well as five publicly-funded transnational institutions such as the Vietnamese German University and another five foreign-invested private HEIs.

However, from a UK perspective the most important component of Vietnam’s TNE sector consists of joint training programmes. Most of these partnerships are franchised degree programmes, but statistics for the category also include a smaller number of joint / dual degree partnerships. According to MoET’s most recent data, released in March 2017, there were a total of 256 active joint training programmes.

Joint training programme approvals have grown over time. Based on the MoET database there have been a substantial number of approvals each year since 2009, peaking at 71 in 2013 but falling back down to 48 by 2016. Interviewees generally commented that there had not been any major changes in the government’s attitude to new programmes of this kind over time, and MoET has held to a consistent policy of approving all partnerships that meet the country’s legal requirements.

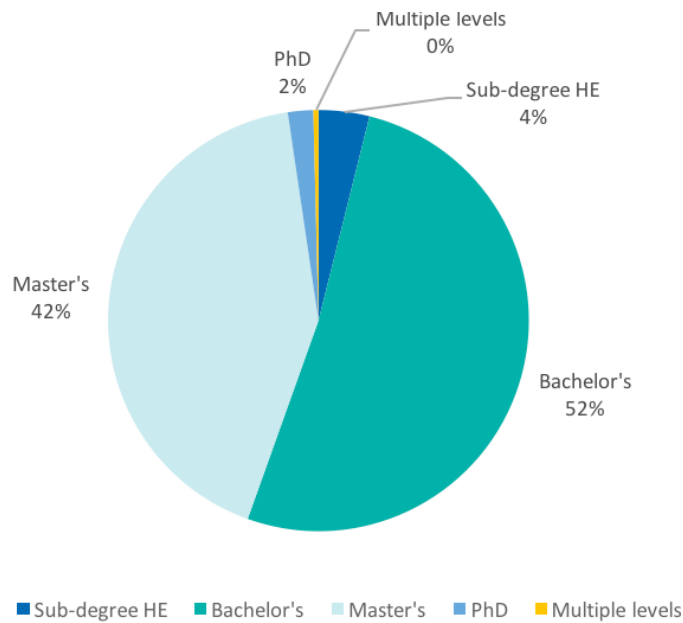
**Figure 4.2: New joint training programmes approvals over time**



Source: MoET

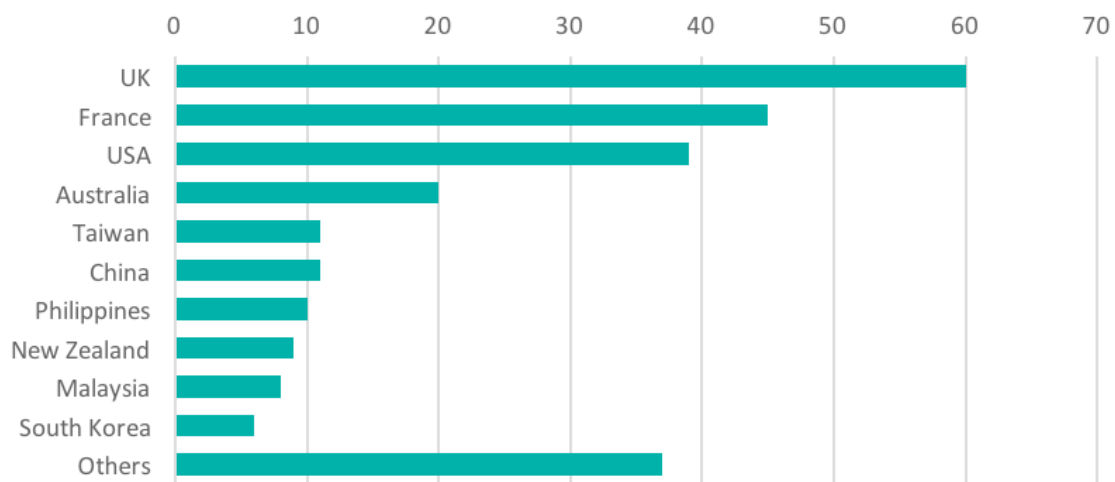
According to this data almost all active programmes were at either the bachelor’s or master’s degree level (52 and 42 per cent respectively), with a small percentage of sub-degree programmes and PhD partnerships.

**Figure 4.3: Active joint training programmes by level of study**



Source: MoET

The UK had 60 active joint training programmes as of March 2017, more than any other country. The next largest is France, with 45 partnerships, followed by the US with 39 and Australia with 20. The UK is also notable for the type of partnerships offered, with a comparatively smaller proportion of postgraduate degrees but significantly more bachelor’s courses and sub-degree (HND) partnerships than any other nation.

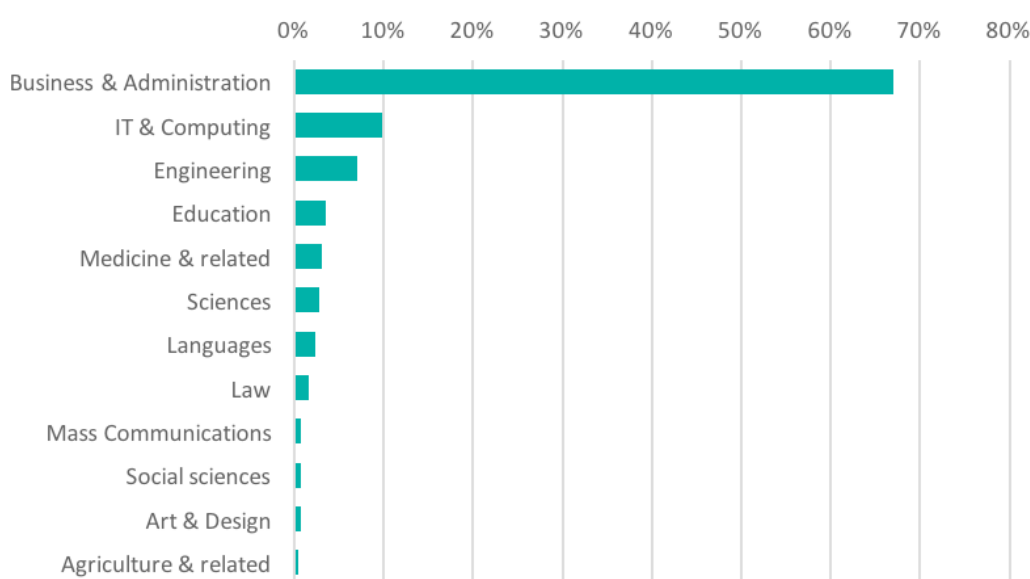
**Figure 4.4: Active joint training programmes by partner country**

Source: MoET

Business-related subjects are the most popular type of joint training programme by a large margin. Two thirds of all active programmes are in this broad field (including related subjects such as management, finance, accounting and economics), and the most popular single subject – business administration – accounts for 21 per cent of all currently active programmes.

In comparison, the next most popular broad subject area – IT and computing, including subjects like information technology, computer science and computer engineering – only accounts for around one in ten active programmes, which is less than a sixth of the number of business-related programmes. The third most common broad field is engineering, with electrical and electronic engineering being the most common sub-field.

**Figure 4.5: Active joint training programmes by broad subject area**



Source: MoET

MoET data also shows that a significant proportion of joint training programmes in Vietnam are no longer operating. The 256 active partnerships represented just over half of all approved partnerships as of March 2017. 181 programmes had already been terminated, making up 36 per cent of all approvals, while a further 13 per cent had stopped admitting new students.

UK programmes have performed relatively well by this measure compared to other countries, with 79 per cent of UK partnerships still active compared to 56 per cent of those involving French institutions and less than half of US and Australian partnerships.

A programme’s chance of still being active has surprisingly little relationship to the level of study and subject area. Among the three leading subject areas IT-related programmes are slightly less likely to still be active compared to business or engineering partnerships, but this difference is not statistically significant. Only two fields had statistically significant differences from the overall average: medicine, where programmes were more likely than average to still be active, and languages, where a substantial majority of programmes had already been cancelled. Meanwhile there were no significant differences among the most common levels of study.

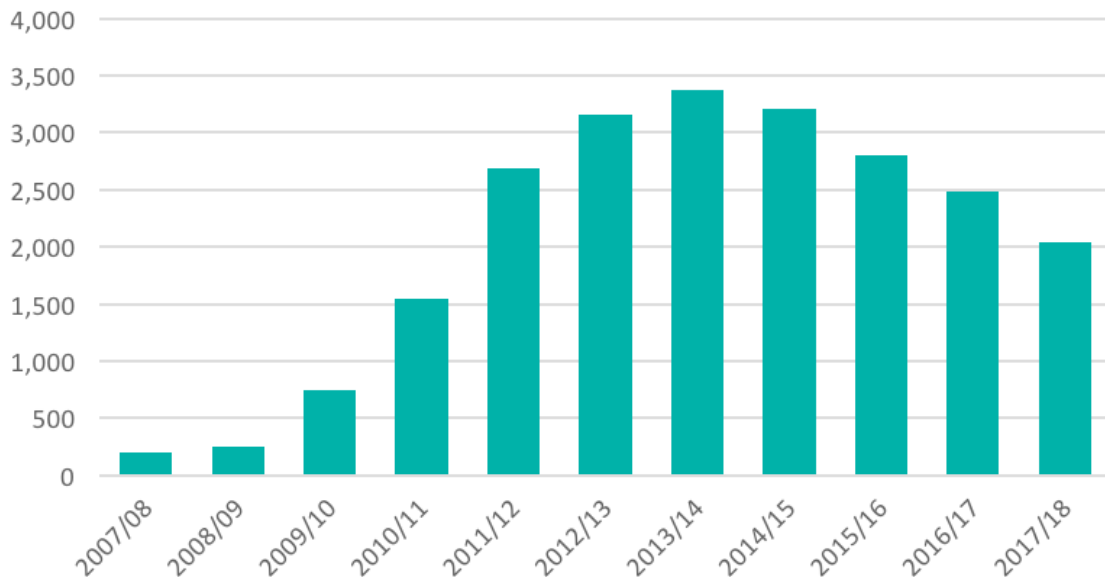
Numbers for joint training programmes include all programmes at the British University of Vietnam, as these students are all studying for UK degrees awarded by the University of Staffordshire or the University of London on a franchised basis. (Even programmes which award a BUV degree are dual-degree partnerships and also award a UK qualification). The same is true of students at other private foreign-invested HEIs, such as RMIT Vietnam where students are registered on Australian degrees awarded by the home institution. However, programmes at publicly funded foreign-invested universities award local degrees and so are not included in joint training programme data.



Although local English-medium courses based on an overseas curriculum (Advanced Training Programmes and High Quality Programmes) are very similar to joint training programmes in many respects, these are not included in the statistics above as they award a Vietnamese degree rather than an overseas certificate. Nevertheless, these programmes compete directly with joint training programmes for students and are in many cases both cheaper and more prestigious, which makes it easier for them to attract students. A total of 35 advanced training programmes have been established at Vietnamese universities, while a further 60 high quality programmes have also been established since 2015.

Data on student numbers on joint training programmes is not available from MoET, but the number of students studying on UK degree programmes overseas is tracked by HESA. Statistics show that the number of students following in-person transnational UK degree programmes in Vietnam started to increase in the 2009/10 academic year, reaching a peak of 3,370 students in 2013/14.<sup>18</sup> However, student numbers have since declined by nearly 40 per cent, with 2,045 students reported in the 2017/18 academic year.

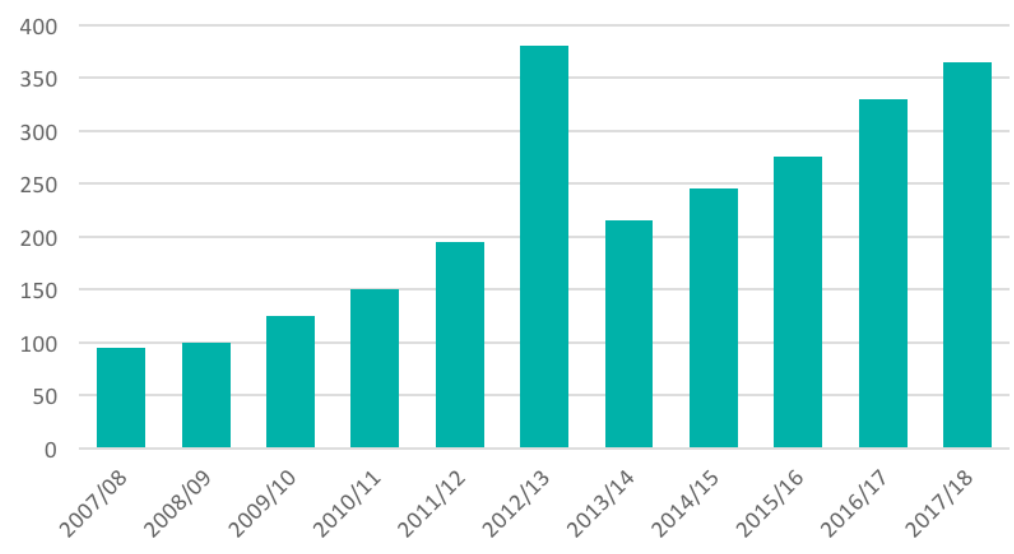
**Figure 4.6: UK TNE students in Vietnam (In-person programmes)**



Source: HESA

In addition to in-person programmes, a smaller number of students in Vietnam also enrol on UK distance learning programmes. Although student numbers are still far lower than in-person TNE programmes they have grown consistently in recent years and enrolment in 2017/18 was more than three times higher than in 2007/08, the earliest year for which data is available.

<sup>18</sup> Students registered at Oxford Brookes University through partner institutions are excluded as most of these students are enrolled on ACCA courses rather than universities' TNE programmes. Distance learning programmes are also excluded.

**Figure 4.7: UK TNE students in Vietnam (Distance learning)<sup>19</sup>**

Source: HESA

As discussed elsewhere in this report, degrees taught through distance learning are not recognised by Vietnamese education authorities, which means that they usually cannot be used for employment in the public sector. This means that students enrolling on these courses are often studying postgraduate degrees with the aim of improving their position in a private-sector company.

<sup>19</sup> The spike in distance learning students in 2012/13 is likely due to a short-term temporary programme – one UK university reported that its number of distance learning students in Vietnam rose from five in 2011/12 to 190 in 2012/13, before falling back down to five in the following year.

## 4.4 Tuition fees

### 4.4.1 Domestic Vietnamese programmes

Domestic tuition fees at domestic universities in Vietnam are very low by UK standards. Some universities charge less than VND 10 million per year (£330) for undergraduate courses, especially in Vietnam's less-developed cities, and even prestigious universities in Hanoi or Ho Chi Minh City have fees below VND 20 million (£660).

**Figure 4.8: Annual tuition fees at selected Vietnamese public universities**

| Institution   | Fees (for Vietnamese citizens)                 |
|---|--|
| Can Tho University                                    | VND 8.1 to 9.6 Mn per year<br>(£270 to £320)   |
| Da Nang University of Technology                      | VND 9.6 Mn per year (£320)                     |
| Hanoi University of Science and Technology            | VND 15 Mn to 20 Mn per year<br>(£490 to £660)  |
| Ho Chi Minh City University of Medicine and Pharmacy  | VND 11.7 Mn per year (£380)                    |
| Ho Chi Minh City University of Technology             | VND 9.6 Mn per year (£320)                     |
| National Economics University (Hanoi)                 | VND 15.5 to 18.5 Mn per year<br>(£510 to £610) |
| University of Economics & Business (Ho Chi Minh City) | VND 19 Mn per year (£620)                      |
| Ho Chi Minh City University of Information Technology | VND 16 Mn per year (£530)                      |

Source: Individual universities, via vietnammoi.vn

Private institutions tend to charge somewhat higher fees than public institutions. However, these fees are still very low by UK standards, rarely exceeding VND 50 million per year (£1,600).

**Figure 4.9: Annual undergraduate tuition fees at selected Vietnamese private universities (regular programmes)**

| Institution                   | Fees (for Vietnamese citizens)                     |
|-------------------------------|--|
| Duy Tan University            | VND 16 to 17.6 Mn per year<br>(£530 to £580)       |
| FPT University (Hanoi / HCMC) | VND 41.4 to 50.6 Mn per year<br>(£1,400 to £1,700) |

**Figure 4.9: Annual undergraduate tuition fees at selected Vietnamese private universities (regular programmes)**

|                                 |  |
|---------------------------------|--|
| FPT University (Da Nang)        | VND 29 to 35.4 Mn per year<br>(£950 to £1,200) |
| Hutech University of Technology | VND 26 to 40 Mn per year<br>(£850 to £1,300)   |
| Saigon Technology University    | VND 21.1 to 26.6 Mn per year<br>(£690 to £870) |

Source: Individual universities, via vietnammoi.vn

#### 4.4.2 English-medium programmes at Vietnamese universities

Advanced training programmes and high quality programmes – courses based on an overseas curriculum and delivered at least partly in English but awarding a local degree – charge higher tuition fees than the same university’s domestic courses. At some universities the difference is comparatively small – fees for advanced courses at Hanoi University, for example, are 1.3 to 1.5 times the fee for the corresponding domestic degree. However, others have larger price gaps, with the National Economics University in Hanoi and HCMC University of Technology and Education both charging three times the price of a regular degree programme. The biggest price gap is at HCMC University of Technology where advanced training programmes can cost up to nine times as much as a standard Vietnamese degree.

**Figure 4.10: Annual tuition fees for selected ATPs / HQPs**

| Institution   | Fees (for Vietnamese citizens)                |
|---|---|
| Hanoi University of Technology                          | VND 20 to 30 Mn per year<br>(£660 to £980)    |
| Ho Chi Minh City University of Agriculture and Forestry | VND 24 Mn per year (£790)                     |
| Ho Chi Minh City University of Technology               | VND 60 – 74 Mn per year<br>(£2,000 to £2,400) |
| Ho Chi Minh City University of Technology and Education | VND 26 to 30 Mn per year<br>(£850 to £980)    |
| National Economics University                           | VND 48 Mn per year (£1,600)                   |

Source: Individual universities, via vietnammoi.vn and thanhvien.vn

### 4.4.3 Franchised and joint degree programmes

Franchised and joint degree programmes (together known as joint training programmes) are significantly more expensive than either local degrees or advanced / high quality programmes. Averaged across the whole course, tuition fees typically range from VND 40 to VND 80 million per year (around £1,300 to £2,600); programmes at public universities generally appear to be cheaper than those at private institutions. Several programmes charge different fees in different years, with prices increasing steeply in later years of the course.

Although most joint training programmes with overseas partners are offered on a franchised model, Vietnam also has a limited number of programmes where the overseas partner provides teaching in Vietnam. These programmes do not appear to be any more expensive than franchised programmes.

**Figure 4.11: Annual tuition fees for selected franchised and joint degree programmes**

| Partner Institution  | Programme   | Fees (for Vietnamese citizens)                            |
|--|---|---|
| Foreign Trade University, Hanoi (Public)<br>University of Bedfordshire (UK)  | 4-year Bachelor of Business Studies (final year in UK)                        | VND 46.2 Mn per year (Vietnam section of course) (£1,500) |
| FPT University (Private)<br>University of Greenwich (UK)   | IT or Business Management – First 2 years (HND programme)                     | VND 59.6 to 64.6 Mn per year (£2,000 to £2,100)           |
|  | IT or Business Management – One-year top-up to bachelor's degree              | VND 109.3 Mn for one year (£3,600)                        |
| Hanoi University (Public)<br>La Trobe University (Australia)   | 4-year Bachelor of Business Administration (Finance Management and Marketing) | VND 70.4 Mn per year (£2,300)                             |
| Hoa Sen University, HCMC (Private)<br>VATEL University (France)  | Hoa Sen University, HCMC (Private)<br>VATEL University (France)               | VND 78 Mn per year (£2,500)                               |
| University of Economics & Business (Public)<br>Troy University (USA)   | 4-year Bachelor of Business Management (4 years)                              | VND 62 Mn per year (£2,000)                               |
| University of Economics & Finance (Public)<br>University of Gloucestershire (UK)                                   | 4-year Bachelor of Arts in Business and Marketing Management                  | VND 74.8 Mn per year (£2,400)                             |
| University of Science and Technology, Hanoi (Public)<br>Various overseas partners (Australia, France, New Zealand) | 4-year and 5-year programmes in science, technology and engineering subjects  | VND 40 to 45 Mn per year (£1,300 to £1,500)               |

Source: Individual universities. Figures have been adjusted to give average per-year prices; in some cases prices are set on a per-semester basis or vary in different years of the course

#### 4.4.4 Foreign-invested universities

Tuition fees at foreign-invested universities delivering overseas degree qualifications are usually much higher than fees for franchised programmes at local universities. According to interviewees at different foreign-invested HEIs these institutions recruit staff globally and require international experience, which increases their costs, but their position and international environment also allows them to charge higher fees than local universities' franchised degree courses.

Tuition fees at the British University Vietnam vary depending on the university's partner – programmes awarding Staffordshire University degrees have lower annual fees than those where students can earn degrees from the University of London. Meanwhile, RMIT Vietnam's fees vary mainly based on subject, with Bachelor of Engineering programmes notably cheaper on a per-year or per-credit basis than the university's business, design or language degree courses. This means that engineering courses have a lower total fee than bachelor's degrees in other subject areas even though they are taught over four years rather than three.

The fees listed below do not include foundation / language courses, which carry a lower fee than the degree courses themselves and are required for students who do not meet the language (IELTS) requirements to enter the bachelor's programme directly.

Fees at publicly-supported transnational universities such as the Vietnam German University (VGU) are significantly lower than those at the two listed foreign-invested HEIs, and comparable to those at advanced programmes at local institutions. This is because VGU receives strong support from both the Vietnamese and the relevant overseas governments. Although this allows them to deliver their degree programmes for a lower price, the tuition fee is nevertheless several times higher than students would pay at local public universities.

**Figure 4.12: Annual tuition fees at selected foreign-invested / transnational HEIs**

| Institution                | Programme  | Fees (for Vietnamese citizens)                       |
|----------------------------|--|--|
| British University Vietnam | Bachelor's degree (Staffordshire programmes)               | VND 196 Mn per year (£6,500)                         |
|                            | Bachelor's degree (University of London programmes)        | VND 249 Mn to 265 Mn per year (£8,200 to £8,400)     |
|                            | MBA (University of London, 2-year part time course)        | VND 209 Mn per year (£6,900)                         |
| RMIT University Vietnam    | 3-year bachelor's degree (all subjects except Engineering) | VND 219 Mn to 257 Mn per year (£7,200 to £8,500)     |
|                            | 4-year bachelor's degree (Engineering subjects)            | VND 145 Mn per year (£4,800)                         |
|                            | Master's degree  | VND 256 Mn to VND 289 Mn per year (£8,400 to £9,500) |

**Figure 4.12: Annual tuition fees at selected foreign-invested / transnational HEIs**

|                              |                   |   |
|------------------------------|-------------------|---|
| Vietnamese German University | Bachelor's degree | VND 68 Mn to VND 75 Mn per year<br>(£2,200 to £2,500) |
|                              | Master's degree   | VND 57 Mn to VND 60 Mn per year<br>(£1,900 to £2,000) |

Source: Individual universities

### 4.5 Vietnamese university attitudes towards TNE

Interviewed Vietnamese HEIs had positive attitudes towards both their existing TNE partnerships and the potential for future cooperation. They saw transnational education as beneficial to both the university and its students and were also unanimous in wanting to explore other types of cooperation with overseas universities beyond TNE.

In particular, local universities did not see transnational education as a threat to their domestic programmes. Interviewees highlighted that these programmes were only available to students from relatively wealthy families and who had strong language skills. Students who can both afford to enrol on TNE programmes and have the English ability to do so only represent a small proportion of all Vietnamese students, which limits the impact on general recruitment.

One interviewee, from Foreign Trade University in Hanoi, commented that many TNE students were from “families who have money but who feel that their children are not mature enough to study abroad directly”, while another from the University of Economics and Business expressed the same sentiment in a different way by talking about “families [who] try to keep their children in Vietnam until they grow up enough”. Both interviewees commented that many of these students would articulate to the UK part-way through their course or go overseas for a master’s degree programme after graduating.

Rather than TNE competing with regular recruitment, universities saw these students as a separate market sector who their cooperative programmes give them the chance to attract. From a student perspective they see the strongest attractions of TNE courses being the English language environment and the potential pathways to study abroad, either through articulation part way through the course or in a master’s programme after graduation – many TNE graduates go on to study a master’s degree abroad, often at the university that awarded their undergraduate degree.

Alongside the direct benefits of attracting students, interviewees also discussed other advantages of transnational education partnerships. The most commonly mentioned advantages were internationalisation and staff development, both of which are seen as bringing advantages to the university which extend beyond the TNE partnership itself.

TNE can also help to boost the reputation of the host institution. One interviewee described this as a direct effect of international connections and an important reason to form TNE partnerships. But it can also work indirectly, as shown by another interviewee who talked about the employability advantages of their TNE graduates.

Local universities did not see government bureaucracy as a major barrier to TNE partnerships, saying that the government had a generally positive attitude towards the field but did not provide any direct support, and certainly no financial support. This was not seen as a major problem as partnerships were sustainable without government

involvement. The approval process for new programmes was described by one interviewee from a local private university as “not easy, but fairly smooth”.

However, this process can also be relatively slow, and requirements such as requiring all teaching for a foreign degree to be delivered in English can cause difficulties for institutions without a large number of suitable English-speaking academic staff as well as restricting the pool of potential students for these programmes. Inflexibility can also be an issue – for example, the regulations set minimum requirements for facilities such as classroom space which apply even if modules are taught through distance learning modes, making innovation more difficult and less attractive.

Some interviewees did remark on a trend towards stricter enforcement of the existing rules, giving the example of a government crackdown on programmes that did not enforce rules on their students’ English proficiency level. These interviewees saw this as a positive development, saying that it helped to maintain the reputation of transnational education programmes as well as helping to protect students’ rights. One interviewee commented that although this creates “technical barriers” for weaker institutions, the trend is advantageous for stronger institutions like the interviewee’s own. Interviewees expected this trend to continue over the longer term.

When discussing the potential to open new transnational partnerships, two of the three interviewees from Vietnamese domestic HEIs expressed strong interest. In both cases interviewees were looking to establish partnerships in specialised areas of business – one university was looking to open new franchised programmes in supply chain management and entrepreneurship, while the other was interested in joint degree partnerships in logistics management, arts and fashion management and hospitality. This contrasts with attitudes at foreign-invested universities, which did also express interest in specific business fields but were also more interested in expanding beyond business into less-common TNE subject areas such as design.

All interviewees saw the choice of overseas partner as extremely important when setting up a new programme, and all described the strength of the partner in the relevant subject area as more important than overall ranking. All interviewees expressed pragmatic attitudes about this factor, saying that their partner should have “a reasonable ranking” or be “at least mid-ranked”. They do not insist on working with top overseas universities, and one interviewee also described disadvantages of working with a university whose ranking was “too high” as these universities tend to have higher language requirements as well as higher fees for any overseas leg of the course, making it more difficult to recruit suitable Vietnamese students.

The support provided by the partner to both the Vietnamese university and its students is also seen as a very important factor. From a university point of view, institutions look for support for staff development which is often provided alongside regular quality assurance visits; one institution was also very happy with its partner funding an annual delegation of Vietnamese lecturers to the UK which helps to build relationships as well as to develop expertise. Vietnamese universities also expect courses with a UK component to provide tuition fee discounts or limited scholarships to their articulating students in order to make the programme more attractive.

Existing partners are often the top choice for universities that want to expand their TNE activity, underlining the importance of building strong relationships. Strong communication is critical for many different aspects of transnational activity, including not just teaching and assessment but also activities such as marketing, where partners need to reach agreement on factors like cost, supporting materials and participation of staff from the overseas partner.

Interviewees from Vietnamese universities commented that they wanted to avoid offering multiple partnerships in the same area with different partners, in order to avoid confusing students; any new partnerships would therefore have to be in a different field that did not overlap with existing TNE programmes. However, based on an analysis of approved programmes this is not always the case; some universities have partnerships in similar fields with different overseas partners.



Vietnamese institutions are also keen to set up new articulation or credit transfer programmes. These are simpler from a regulatory point of view but still require close discussion between the partner institutions to align curriculums and set standards. As with students transferring abroad within a transnational degree programme, Vietnamese institutions and their students expect the overseas partner to provide discounts or scholarships to articulating students.

Vietnamese HEIs are also keen to cooperate in other ways. Most notably, all interviewees expressed strong interest in accepting overseas students, which would help them to create a more international environment. In addition to courses related to Vietnamese language, culture or business (which could include customised short-term courses as well as long-term study), UK students could also be accommodated on TNE courses which are taught entirely in English. An example of a university where this is already happening is Foreign Trade University in Hanoi, where around 10 students come from its UK partner each year to study for one to two semesters. Interviewees from Vietnamese universities seemed to be more interested in cooperation on a “fees paid” basis rather than bilateral exchange agreements.

Similarly, Vietnamese universities are highly interested in joint research with UK partners. However, there is usually little connection between TNE and research, at least at the undergraduate level.

## 4.6 Vietnamese student attitudes towards TNE

Public awareness of transnational education in Vietnam is relatively high and has increased over time. Foreign-invested universities are a relatively prominent part of the HE landscape and local universities actively promote their TNE partnerships. This means that students – and their parents, who tend to be the main decision-makers for undergraduate study decisions in Vietnam – are very likely to be aware of these programmes when considering university if not before.

However, there is often a lower level of understanding of what exactly TNE entails, or of the differences between different types of partnership such as franchised degrees, joint degree programmes, advanced training programmes and foreign-invested universities. Explaining the nature of a programme and how it differs from other courses with an international element is an important part of “selling” a TNE programme.

Transnational education is often seen as a cheaper alternative to overseas study. Overseas education has a strong reputation in Vietnam and is strongly preferred by employers. A recent survey commissioned by the British Council found that 88 per cent of employers in Vietnam felt that studying abroad adds value to a candidate and 85 per cent would offer an overseas-educated graduate a higher salary.<sup>20</sup> In focus group research, the most common opinion expressed by Vietnamese students was that TNE had many of the same advantages as overseas study.

Given Vietnam’s low average incomes and the high price of overseas study, the biggest advantage of TNE over studying abroad is unsurprisingly its lower cost. Students can not only pay much lower tuition fees but also avoid the high living expenses associated with studying in Western countries.

However, this is not TNE’s only advantage. Interviews and focus group research revealed that many Vietnamese parents see their children as not prepared enough to study abroad at the undergraduate level. They feel that an international course taught locally would help prepare them to study overseas, and many TNE students intend to either articulate to the overseas partner university part-way through the course or to study a master’s degree abroad after completing their undergraduate degree in Vietnam. Although academic preparation does play a role here, general maturity and ability to live independently is seen as a more important reason for families that can afford overseas study to choose TNE instead.

<sup>20</sup> Vietnam’s Overseas Graduates: Do employers value foreign degrees?, British Council (forthcoming)

(It should be noted that, although some focus group participants expressed an intention to complete their degree at the overseas institution, information from universities shows that this is a less common choice with only a comparatively small minority of students choosing to go abroad if given the choice part-way through their course.)

When students discussed their reasons for choosing TNE over a domestic Vietnamese degree course, the clear consensus was that language skills and international awareness were the most important factor here. English ability is seen as extremely important when finding a job, especially in a multinational company which is preferred by most Vietnamese young people due to higher salaries.

The overseas degree itself is seen as less of an advantage than language ability, but still extremely important, while overseas teaching methods are seen as better than the local equivalent and are valued separately to the degree awarded. Students in focus groups believed that academics teaching TNE programmes were more practical, more willing to explain things that students didn't understand. Students also feel that TNE courses are provided with better facilities than their counterparts on domestic courses, such as newer computers or air-conditioned classrooms

Teaching quality is not seen as uniformly good across all TNE partnerships – one student commented that some programmes were characterised by “Vietnamese teachers and Vietnamese education style” that “doesn't teach students how to self-study”, meaning that they had to be careful when choosing where to study.

For some students, entry requirements also provide another reason to choose TNE. Although courses require a high level of English ability they generally need lower academic scores on Vietnam's university entrance exam compared to other courses at the same institution. This means that students can enter a more prestigious Vietnamese university than they would otherwise be able to. No interviewees said that this was their own reason for choosing TNE, but all said that this was a factor for some TNE students. For some students this was a negative mark against TNE, as it led some people to have a negative impression of TNE students' quality – although as discussed elsewhere in this report, perceptions of TNE students have improved since the government has started to enforce English language requirements more strictly.

Students' opinions on the other disadvantages of TNE courses reflect their perceptions of TNE as a half-way point between overseas study and a domestic degree. Compared to domestic courses the main disadvantage – and for some students the only disadvantage – was the higher cost of TNE courses, while the lack of a true English-language environment was generally agreed to be the biggest disadvantage compared to overseas courses.

Students also saw TNE qualifications as less attractive to employers than overseas study, despite their advantage over local degrees. The British Council's employer survey suggests that this perception is probably accurate – although 89 per cent of Vietnamese employers said that they would hire a TNE graduate, three quarters still felt that these students are not as attractive as those whose degree was earned abroad.

When choosing a programme, location is extremely important. It is normal for Vietnamese university students from major cities to live at home while studying – one commented that “if you don't live with your parents, people will ask why”. As a result, TNE programmes (and domestic universities) in Hanoi recruit relatively few students from Ho Chi Minh City and vice versa, although the same does not apply to smaller cities as most other areas of Vietnam lack high-quality universities.

There are also important differences between students in different parts of the country. Students from Hanoi have a very positive attitude towards UK study. In contrast, students in Ho Chi Minh City have much more favourable attitudes towards universities in the United States, partly because many people from the southern part of Vietnam have relatives that emigrated to the US or have studied there in the past. Students in Ho Chi Minh City are also more likely to be interested in overseas education options more broadly, including TNE, perhaps because they are (on average) both wealthier and more internationalised.

Anecdotal evidence also suggests that parents' attitudes are also sometimes different in Hanoi compared to Ho Chi Minh

City. More than one interviewee commented that parents in Hanoi are more likely to worry that if their children study abroad they will not return, while those in Ho Chi Minh City have a more open attitude. It is not clear to what extent this stereotype is based on actual behaviour.

These attitudes mainly affect overseas study choices, but they can also have an effect on transnational education choices – both as a reflection of attitudes towards overseas higher education in general, and because many TNE students are considering further study in the partner country. The overall effect is that US partnerships are stronger competitors in the South of the country than in the North. However, this should not be interpreted as people in northern Vietnam disliking the US; interviewees still had favourable attitudes towards both US education and the US more broadly.

Another important factor when choosing between different TNE options is reputation. However, it is not usually the reputation of the overseas partner that is important. Many individual TNE programmes have built their own reputation for teaching quality or employability, while students also saw the local Vietnamese partner university as an important influencer of teaching quality as well as being better-known than the overseas institution in Vietnam. In comparison many students see the specific overseas partner HEI that awards the degree as relatively less important – this is not because overseas universities in general are less prestigious than the local partner, but because potential employers are not familiar with differences between different overseas universities. This may be partly influenced by the most prestigious overseas universities not operating TNE partnerships in Vietnam.

Subjects related to business are still by far the most popular among Vietnamese students, both for overseas study and transnational education. Interviewees from universities generally agree that this will continue to be the case for some time, although demand is shifting towards more specific subjects rather than generic business courses and non-business courses are also increasing in popularity.

## 4.7 Challenges and potential risks

The potential for transnational education in Vietnam depends strongly on the type of partnership. Although the country's regulatory environment for franchised and joint degree programmes is relatively welcoming, high investment requirements and complicated approval processes for branch campuses make this model less attractive.

Attracting students is an important challenge in Vietnam. Almost half of all the country's approved franchised or joint degree programmes are no longer active, which in most cases is due to an inability to recruit enough students to make the course viable. In most cases the main competitor is other TNE courses – the market for generic business or management programmes appears to be especially saturated, so a new franchised degree in this field would likely find it difficult to attract students. MBA courses in particular have become less attractive over the last few years; in one case, a programme that recruit two cohorts of 50 students per year a decade ago now has only a single cohort of 20 students.

Partnerships in non-business fields face less competition and interviewees felt that the market for these programmes is growing, but demand is still significantly lower than for business-related courses. Although the Vietnamese government encourages partnerships in areas that will support the local economy, institutions should carefully consider the potential market for any proposed partnership to ensure that it will be sustainable and should pay particular attention to nearby competitors offering courses in the same subject.

Competition is complicated by Vietnamese students' lack of awareness of the difference between different types of partnerships and transnational education activities. Interviewees at foreign-invested HEIs said that it was important to make students aware of the differences between their own programmes and franchised degrees at local HEIs, while some students are confused about the difference between local public HEIs' advanced training programmes and transnational education awarding a foreign degree. In the latter case many students find the advanced training programmes more

attractive than a franchised degree as they are often more prestigious.

When considering the sustainability of a course, UK institutions should be very careful about relying on students articulating to their home campus. If a course offers students the choice to complete their degree in either Vietnam or the UK, only around 10 per cent of students will usually choose to go abroad. One interviewee discussed a partnership which had been operating for 10 years but had only sent around 60 students abroad over that period. Similarly, articulation or credit transfer partnerships also tend to attract limited numbers of students, and one interviewed UK university representative said that they now no longer consider it worthwhile to work on partnerships of this kind.

Beyond student numbers, student quality is also an important challenge. Language requirements are particularly important, as relatively few Vietnamese students speak English to the required level – although language proficiency is improving over time. This is particularly important as students that do not meet the required standard (CEFR B2 or IELTS 5.5) will not be able to have their degree recognised by Vietnamese authorities.

Although the approval process for a new joint training programme is not usually seen as a huge difficulty by universities, there are still some challenges to be aware of during this process. According to an official at the Ministry of Education and Training, a common mistake made by applicants is omitting core parts of the course to make room for language training; this is not considered acceptable as programmes should cover the same content as the overseas degree (although it is OK to adapt some modules to the local context). Another typical problem is submitting applications without providing detailed descriptions of facilities, teaching staff etc, along with proof that both parties approve these arrangements. These errors can cause delays in approvals as material needs to be re-submitted. Nevertheless, there is relatively little risk of a joint or franchised degree partnership being completely refused, although the situation is more complicated for a foreign-invested HEI.

Other than student recruitment and programme approval, the main difficulties facing transnational education in Vietnam involve aligning expectations between local and UK partners. The two universities should be in agreement on aspects of the course, such as enrolment requirements, quality control and financial aspects of the course – including what to do if things do not go as planned. An interviewee discussed an example of one programme that was closed because the two partners could not agree on changes to entrance requirements after experiencing lower-than-expected student recruitment; another programme experienced difficulties when less students than anticipated decided to articulate to the overseas partner to complete the final two years of their course.

For institutions operating their own foreign-invested HEIs in Vietnam another important challenge is staff recruitment. Interviewees commented that a lack of suitable local teaching staff means that they need to recruit overseas. However, attracting skilled academics to relocate to Vietnam is a difficult and time-consuming task, meaning that staff shortages can often be the main limiting factor in a university's expansion.

Finally, as with all transnational education, ensuring quality is an important challenge for UK institutions with franchised and joint degree programmes in Vietnam, and clear quality assurance mechanisms are essential. Students see differences between different TNE partnerships, with one focus group participant commenting that "some [TNE programmes] are not good at all" and that their teachers still adopt a Vietnamese education style. In the past TNE partnerships have been shut down for failing to meet MoET's requirements or standards, which can have very negative effects on a university's reputation in Vietnam.

# CONCLUSIONS AND POTENTIAL FOR FUTURE COOPERATION

Vietnam is a market with strong demand for overseas study. Although UK universities hold a relatively small market share and have seen new enrolments falter over the last few years, the number of Vietnamese students going overseas continues to grow and this trend will only continue as the country's economy expands. Students in the country have a strong preference for both overseas education methods and foreign degrees.

The country is also a relatively strong market for transnational education, with high awareness of both franchised / joint degree programmes and foreign-invested HEIs. Students place a higher value on TNE degrees than on domestic qualifications, and universities perceive this as a separate market segment rather than a threat to domestic enrolment.

The potential for new transnational education partnerships varies by partnership type. Franchised or joint degree partnerships likely represent the best opportunities. Although the market for generic business programmes and MBA courses is highly saturated, there still appears to be unmet demand for new courses in niche business-related fields. Vietnamese institutions appear to be keen to work together with UK universities in this area, although most do not want new programmes to overlap with existing partnerships. There is also growing demand for programmes in several non-business areas, but total demand in these fields is lower than in business.

The process to establish new franchised / joint degree partnerships can be time-consuming, but overall it is not regarded as especially hard for a partnership to gain approval. Nevertheless there are still two important caveats that universities should be aware of – courses should be delivered entirely in English, which means that it is important to ensure that the Vietnamese partner has the capacity to teach in English to the required standard, and the course content should be equivalent to the same programme at the overseas partner's home campus, which means that additional language modules should supplement rather than replace the original content.

Even though most programmes offer students the option to complete the final part of their course overseas, comparatively few students take up this option. Combined with relatively low tuition fees in Vietnam this means that UK universities considering setting up new programmes in Vietnam must be careful to ensure that their courses are financially sustainable. On the other hand, interviewees noted that TNE graduates would often enrol on a master's course at the same institution that awarded their bachelor's degree

Foreign-invested HEIs are also highly visible in Vietnam. Setting up a new HEI is a very complicated process and the minimum investment has recently been increased to VND 1 billion (£33 million). No direct government support (especially of a financial nature) is available for these HEIs, although an analysis of their tuition fees shows that they are able to charge significantly more than franchised programmes at domestic universities. In addition there is no specific official status for branch campuses, and foreign-invested universities are treated in the same way as domestic institutions whose overseas degree programmes must be separately approved by MOET.

Other than formal transnational education programmes, Vietnamese universities are interested in setting up articulation agreements, but student numbers coming through these partnerships tend to be small. They are also interested in two-way student mobility agreements (often on a "fees paid" basis rather than exchange) and joint research and would welcome UK partnerships in these areas.

Distance learning, on the other hand, is likely to remain a niche area for the foreseeable future as UK distance learning degrees are not officially recognised in Vietnam. This is less of a problem for students working in the private sector.

When operating transnational education in Vietnam, UK institutions should pay close attention to location. Vietnamese students, especially those from Hanoi and Ho Chi Minh City, have strong preference for studying in their home city as opposed to other parts of Vietnam. Meanwhile students in HCMC tend to have a more international outlook but also have a greater preference for the United States, meaning that the UK has a comparatively stronger market share in Hanoi.

Vietnamese parents are important decision markers at the undergraduate level which means that any promotion of transnational education should take into account their attitudes as well as those of the students themselves. Overall the most common perception of transnational education among students and their parents is that this is a cheaper substitute for overseas study, but some parents feel that their children are not prepared to go overseas at the undergraduate level and encourage them to enrol on a TNE course to prepare them for overseas study at a later stage. More than one interviewee commented that this attitude was more common in Hanoi than in Ho Chi Minh City.

Although general awareness of TNE is high, many students have little awareness of the differences between different programme types (for example between franchised degrees offered by a local partner and a foreign-invested university). Students also placed more importance on the local institution delivering the course than the reputation of the overseas partner, so choosing the right local partner is essential.

In summary, Vietnam's growing economy and positive attitudes towards overseas higher education mean that there could be potential for new TNE partnerships in some subject areas, especially niche business-related fields. But HEIs should be aware of challenges like low tuition fees and articulation rates, competition from existing TNE and other English-medium programmes at domestic universities, and MOET's requirements towards TNE partnerships.

