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Implemented by:



Vocational training – Vietnam

For more qualified workers

Vietnam has undergone rapid economic development during the last two decades with average growth rates of around 6 %. Even during the global economic crisis, the country was achieving growth in excess of 5 %. Vietnam has overcome its status as a developing country, is now considered a "middle-income country" and would even like to make the leap to join the ranks of the industrialised countries by the year 2020. But in order to achieve this, the country will need even greater numbers of qualified workers, who have been in short supply thus far. That is why KfW Development Bank is supporting the establishment of 45 planned centres of competence for vocational training throughout the country on behalf of the German Federal Government.

Context

30 years have passed since Vietnam introduced economic reforms and opened itself up to the West. Since then it has undergone a breathtaking process of development that has astounded even experts in the field: enviable growth, vibrant cities, up-and-coming industrial branches, new infrastructure, universal literacy and booming tourism are the most important indicators of the country's success.

However, there is also a downside which includes environmental pollution, gridlock, rural poverty, and an army of untrained workers. Not even a third of the country's workforce has acquired a training fitted to their current employment. In order to maintain its progress and to eventually become an industrialised country, Vietnam is in need of modern production practices and corresponding expertise. This will require a strong

reinforcement of education, especially of vocational training. However, there are not enough vocational training institutions yet. The existing ones often fail to meet the requirements of the economy: Curricula are insufficiently practice-oriented, teaching materials are incomplete or outdated, and the machines – if available – are either not operating or timeworn. Additionally, the competition for qualified employees is expected to increase sharply in the medium run. This applies especially for the most important economic sectors. The recent decision of the ASEAN states to liberate their employment markets, which increases overall labour mobility, will substantially contribute to this development.

Project name	Vocational training
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ).
Country/Region	Vietnam
Lead executing agency	Ministry of Finance; Ministry for Work, Invalidity and Social Affairs





Vocational training students performing practical exercises at a switchboard. Source: KfW Photo Archive/photothek.net

Project approach

The Vietnamese government has recognised the resulting challenges. It has declared the promotion of employment, the modernisation of vocational training as well as the further integration into the world economy to be its central development policy goals. Accordingly, the Vietnamese government intends to improve the quantity and quality of demand-oriented vocational training. The 45 planned competence centres for vocational training will play a future key role in this process.

The German Development Cooperation (DC) has been supporting the Vietnamese government to improve and expand vocational training since 1993. The Cooperation in this particular sector enjoys an outstanding reputation and is viewed very positively by the political elite. The target group consists of young adolescents in particular, who are given access to vocational training and thereby increasing their perspectives on the labour market. Career opportunities for women are being explicitly promoted.

The country follows a Green Growth Strategy for a cleaner and more sustainable production. Thus, the adjustment of trainings for professionals to this strategy will play an increasingly important role in the future. This includes skills related to the usage of renewable energies as well as measures for higher energy efficiency. The plan is to build a new competence centre for green vocational training as a hub for renewable energies and energy-saving measures. The centre and the training opportunities it provides are a signal of the integration of environmental protection into vocational training and the country's overall sustainable economic development. KfW Development Bank finances the

construction of standard workshops as well as prototype workshops that are built with a high ecological standard and an exhibition area for environmentally friendly technologies. Furthermore, on behalf of the BMZ, KfW is financing the organisation of workshops as well as consulting services that are necessary to implement the projects. The projects are realised in close cooperation with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit).

Impact

The measures of the German Financial Cooperation (FC) build on KfW's existing experience in the Vietnamese education sector and expand the commitment towards a "greening" of vocational training. Secondly to the improvements of demand-based offerings for qualified workers in "green" sectors, the projects will raise awareness of the importance of sustainable development. The training improves the prospects of finding adequate employment with a tendency of a higher income. At the same time, the companies are provided with environmentally friendly and energy-efficient production methods. Moreover, the positive employment effect ensures for an increase of the average income and thereby contributes to social stability.



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