

ACI Research Paper #15-2026

Vietnam is succeeding at schooling, but is it upskilling its economy?

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August 2026

Please cite this article as:

Coxhead, Ian, Thi Hang Banh, and Nguyen Dinh Tuan Vuong, "Vietnam is succeeding at schooling, but is it upskilling its economy?", Research Paper #15-2026, *Asia Competitiveness Institute Research Paper Series (August 2026)*.

Vietnam is succeeding at schooling, but is it upskilling its economy?¹

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Abstract

Vietnam's tradable sectors have favored a less skill-intensive mix than is currently being supplied in the labor force. We summarize recent work documenting aggregate and sectoral trends and then consider what might be done in order to make labor more productive and increase skills demand. Skills demand growth is complementary with other elements needed to create a knowledge-based economy and because of this, development policy must be aligned over several domains. This policy note compares Vietnam's growth progress with key elements of a prescriptive growth model and concludes with a survey of development policy options.

Key points

- Rising incomes and a good educational system have produced steady but modest growth in the *supply* of skilled workers.
- Growth in skills *demand* in technologically dynamic sectors such as manufacturing has lagged, due to lack of complementary conditions and external constraints.
- The resulting oversupply of skilled workers has reduced skill premia and may have induced movement of skilled workers to less productive domestic sectors and to foreign labor markets.
- Sustained growth requires that educational and industrial policies be aligned to complement each other, to ensure that educational investments are matched by rising demand for skilled workers.

Keywords: Skills supply, skills demand, upskilling, growth, industrial policy, Vietnam

1. The labor market and the market for skills since *doi moi*

From its first steps toward a market economy in the 1990s until the present, Vietnam has enjoyed extraordinary success in economic growth and poverty alleviation. It now faces the daunting challenge of sustaining growth through middle income, with the ambitious goal of attaining high-income status by 2045.

Substantive progress toward this goal can be achieved only by means of rapid productivity growth. The key sectors will be those, like manufacturing, with greatest potential for technological advancement, and the key ingredient will be human capital. The latter, however, is an asset that evolves slowly in response to demographic trends, income growth, and perceived returns. In the past three decades Vietnam, along with ASEAN's other middle-income economies, has shown steady but modest improvement in broad indicators of human capital deepening. Labor Force Survey (LFS) data show substantial advances in average schooling in the labor force (Figure 1). As a latecomer to globalization and growth Vietnam has also performed well on educational development relative to its regional peers. Average years of schooling in the labor force (Figure 2) and tertiary enrolment rates (Figure 3) have both risen along with those in neighboring economies.

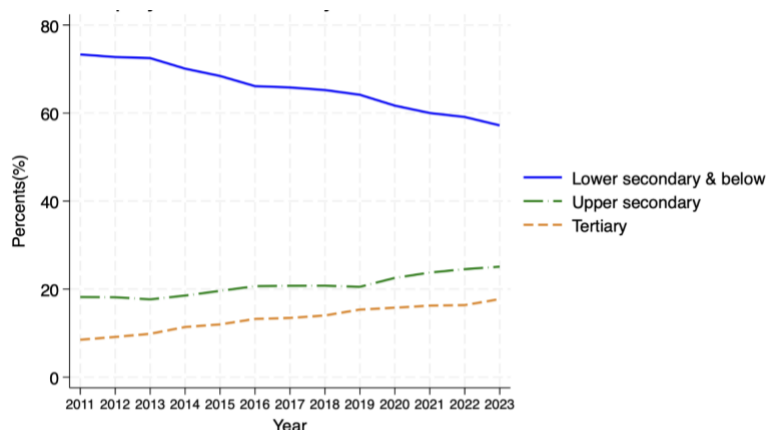


Figure 1: Labor force by completed educational level.
Source: Labor Force Surveys

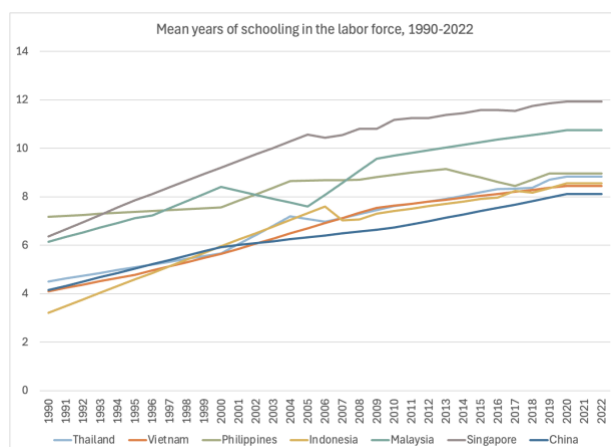


Figure 2: Years of schooling in the labor force
Data source: World Bank, WDI Online

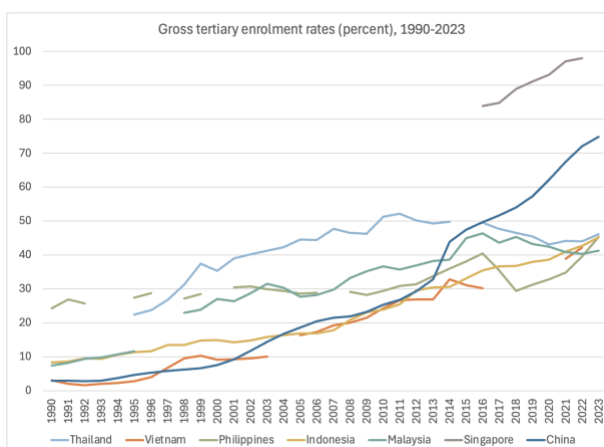


Figure 3: Mean gross tertiary enrolment rates
Data source: World Bank, WDI Online

Expanding the supply of human capital is one challenge; creating opportunities for productive employment of skilled workers is another.

Because Vietnam's economy is very open, global forces exert considerable influence on the domestic labor market. The sectoral and occupational structure of labor demand is heavily influenced by the competitiveness of domestic producers relative to suppliers in international markets. Shocks that alter the global price or trading conditions of products like garments, electronics or tropical fruit, or the demand for traded services such as inbound tourism, also alter the value of labor employed in each affected industry. Price changes cause employers to expand or contract output and labor demand.

How are these changes manifested? In the short run, shifts in labor demand are met through job changes by existing workers. For example, the manufacturing boom of the past two decades induced massive migration out of agriculture and rural areas and into cities and industrial zones. Migration and remittances ensure that the *income effects* of industrial expansion are shared with the wider population. In Vietnam's case, this process greatly reduced poverty even though productivity in the rural economy, home to most of Vietnam's poor households, has remained essentially static.

More importantly, however, because industries are heterogeneous in terms of skill-intensity, changes in the structure of employment are likely also to involve *changes in relative demand* for low- and high-skilled workers. Thus, structural change may not only raise blue-collar wages but may also change the *skill premium*, which is the additional value (in wages) of higher skills obtained mainly through schooling—and as such, is a measure of the gross return to schooling investments. Whereas income growth relaxes financial constraints to schooling, a higher skill premium incentivizes children to continue education beyond compulsory grades rather than join the blue-collar workforce. In the aggregate, their decisions to do so increase the country's stock of skilled workers. Paradoxically, however, Vietnam's skill premium, which rose modestly during the early *doi moi* reform years, has fallen substantially since around 2010. Estimates of returns to education vary by data source and method used, but the downward trend is consistent. The most recent published estimates show returns to additional years of schooling peaking at 6-7% in 2010-2013, and declining to 4-4.5% by 2021; in the decade after 2010 the return to a university degree declined by 25-30% relative to upper-secondary schooling (Banh et al. 2024). These findings are consistent with those of many prior studies (McGuinness et al., 2021; Doan et al., 2018; Phan and Coxhead, 2020).

What accounts for this decline? A recent careful examination of the evidence concludes that it is *not* due to increases in the numbers of educated workers, nor to a decline in the quality of education, nor to changes in the majors chosen by college students (Banh et al., 2024).² After ruling out these supply-side explanations, the remaining possibility is that demand-side factors are most influential. In related work we establish that while FDI employment—the fastest-expanding form of wage employment—raises wages overall, it depresses the skill premium through the creation of many new jobs in informal firms and low-tech activities (Coxhead et al., 2026b).

Breaking down employment growth by sector and occupation reinforces this finding. Table 1 summarizes recent trends in overall labor force composition, the share of tertiary-educated workers by sector, and sector contributions to total tertiary-educated employment. The first group of three columns shows the well-known transition from agriculture to manufacturing and services. The middle three columns show sector changes in the share of tertiary-educated workers in their labor force (these data are also visualized in Figure 4). This share has risen everywhere but at strikingly different rates. Skill-intensity has jumped in education, healthcare and science, in public services, and in other services, but these sectors currently account for only 15.4% of total employment. Traditionally low-skill services (construction, sales, logistics and hospitality, totalling 35% of the labor force) have increased their shares in total employment and the fraction of their workforces with tertiary degrees. Skill-intensity in manufacturing has risen by 5 percentage points, but at 11.5% in 2023 it is much less than the national average (17.7%), higher only than agriculture and construction, and its rise has been slower than that in the overall labor force. In 2023, manufacturing employed 25.4% of the labor force but only 16.5% of tertiary-educated workers.

Table 1: Labor force data and trends, 2011-2023

Industry	Sector share in total employment, %			Tertiary-ed. workers in sector labor force, %			Share in total tertiary-ed. employment, %		
	2011	2023	Δ	2011	2023	Δ	2011	2023	Δ
Agriculture & mining	47.0	24.8	-22.2	0.7	1.9	1.2	3.9	2.7	-1.2
Manuf. & utilities	15.0	25.4	10.4	6.3	11.5	5.2	11.1	16.5	5.3
Construction	6.8	9.5	2.7	5.7	8.9	3.2	4.5	4.8	0.2
Retail & wholesale	11.8	15.2	3.4	7.0	18.8	11.8	9.6	16.1	6.5
Logistics & hospitality	7.0	9.8	2.8	5.3	12.1	6.8	4.3	6.7	2.4
Ed., healthcare, science	5.1	6.3	2.3	63.5	81.9	12.5	11.6	13.3	1.7
Other services	4.2	6.5	1.1	23.8	36.3	18.4	38.1	28.9	-9.2
Public & intn'l inst'ns	3.2	2.6	-0.6	45.0	77.2	32.2	16.8	11.1	-5.7
Whole labor force	100.0	100.0		8.5	17.7	9.2	100.0	100.0	

Notes: Δ denotes change from 2011 to 2023, in percentage points. "Other services" include mass media and communication, finance, real estate, administrative and service support, and entertainment.

Source: Author's computations from Labor Force Surveys.

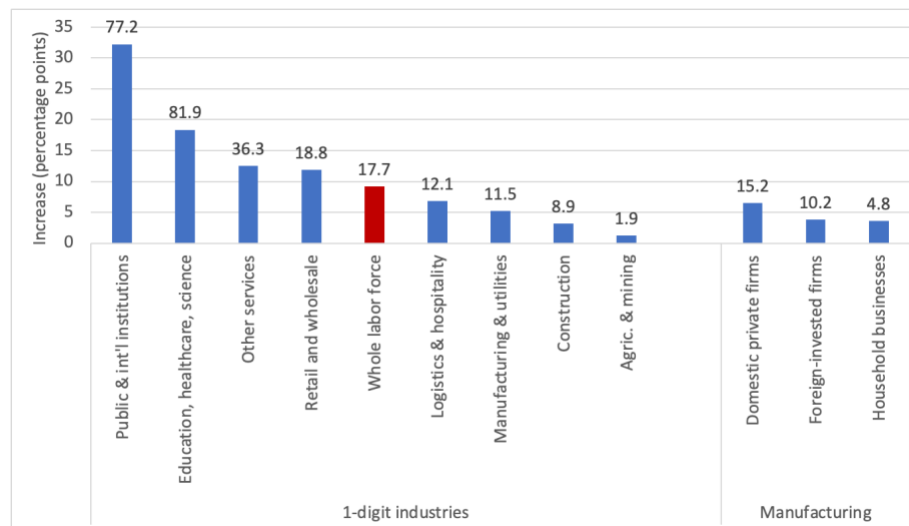


Figure 4: Changes (2011-2023) in tertiary-educated share of labor force, by sector. Figures above each column show percentage of tertiary-educated workers in sector workforce in 2023. The three columns on the right show a decomposition of the one-digit manufacturing sector.

Source: Authors' calculations from Labor Force Surveys.

Figure 4 also breaks down increases in tertiary-intensity within the manufacturing labor force by enterprise ownership. The increase among private domestic firms offers some encouragement but is still lower than the increase in the total labor force. Among household enterprises, the largest ownership group, the tertiary-educated share of workers has risen only slightly. In 2023, only 4.8% of this sector's workforce holds a tertiary credential.

Lastly, sluggish growth in skills demand may also be reflected in rates of international migration. According to the OECD's immigration database, the share of tertiary-educated individuals among Vietnamese citizens of working age (25-64) living abroad is at least 36%,³ while their share in the domestic labor force is under 18% (Table 1). Official data put the stock of Vietnamese working abroad at roughly 650,000,⁴ so if the OECD numbers are correct, a back-of-the-envelope calculation suggests that there are at roughly a quarter of a million tertiary-educated Vietnamese citizens of working age living outside the country. These figures should be interpreted as indicative rather than precise; nevertheless, they underscore the magnitude of potential skill loss associated with weak domestic demand.

In short, Vietnam faces a twin challenge: to increase the stock of skilled workers, and to ensure that they can be productively employed. Obviously, these are linked through the labor market. Success or failure in raising productivity and the skill content of production will depend on a range of phenomena and policies affecting wages and the structure of employment.

2. Reshaping the economy for skill-based growth

The discussion now turns from the skill premium to productivity growth. These are not the same object. The skill premium is a relative wage, shaped by the supply of and demand for skilled workers. Productivity growth is the broader development outcome. They are connected because sustained productivity growth in technologically dynamic sectors typically requires complementary investments in skilled labor, advanced capital, firm capabilities, and innovation. Our concern is that Vietnam's current pattern of growth has yet to generate sufficiently strong demand for tertiary-educated labor.

Recent trends

Vietnam's integration into global manufacturing production systems has deepened in the 21st century. Manufacturing for export remains a dominant source of employment growth. However, new job creation in the sector is still undemanding of training and skills and while average years of schooling in the labor force have increased, skills demand has not kept pace, causing the skill premium to fall.

This pattern of labor demand is in part a reflection of external forces. In particular, changes in China are prominent drivers of the skill-mix of production in its Asian trading partners. Figure 3 showed that from a very low base in 1990, tertiary enrolment in China has boomed, overtaking every middle-income ASEAN economy. Since the early 2000s, moreover, China's government has adopted industrial policies promoting skill-intensive, high-tech sectors such as automobiles, machinery, electronics and electrical equipment.⁵ With an increasingly abundant supply of highly trained young workers, subsidies promoting profitability and a massive economy providing opportunities for cost-reducing economies of scale, China's share of global trade has expanded and this has lowered the competitiveness of skill-intensive goods produced in every other country. In the all-important sector of electrical and electronic goods, for example, the value of China's exports to the world in 2000 was only one-third that of ASEAN. However, the numbers converged by 2005 and in the years since 2013, China's exports in this product category have been almost double those of ASEAN.

Meanwhile, growth rates of Vietnam's exports of goods and services that are complementary with the Chinese economy, such as resources, tropical agriculture, tourism and final goods assembly, have increased. But production in those sectors does not make intensive use of skilled labor, and increased supply of low-cost intermediate inputs, including those sourced from China, has depressed opportunities for domestic value-added growth.⁶ As a result, the mix of domestic and foreign value-added in Vietnam's exports has remained essentially unchanged for at least a decade, with the domestic value-added share in intermediate products such as electronics not so different from that in basic industries like textiles.⁷

These trends suggest that the supply of skilled workers may not be the binding constraint to greater skill-intensity in Vietnam's production system. If that conclusion is correct, then policies to encourage more students to take up tertiary studies are unlikely *on their own* to lead to economic transformation. Indeed,

recent cohorts of tertiary graduates may encounter increasing rates of unemployment and/or skills mismatch in the domestic labor market.

Generic conditions for sustained productivity growth

The path to sustained growth runs through productivity increase, and upskilling the labor force is a necessary but not sufficient condition to achieve this. Skills are complementary with “high-powered” capital (that is, investments embodying new or advanced technologies). More of such capital raises demand for skills, and vice versa, under the right conditions.

Those conditions were succinctly described as a general case by Aghion and Howitt (2009) (henceforth AH). The centerpiece of their model is private-sector innovation in industries with high capacity for productivity growth. Economics growth is advanced through *creative destruction*, a term that describes the continual replacement of incumbent firms by younger enterprises that achieve higher productivity through innovations and investments in newer, more productive vintages of capital. New firms are incentivized to innovate because if they can reach the leading edge of profitable innovation, they can become market leaders and so capture monopoly profits, at least for a time. In this process, new firms are continually offering higher-productivity employment opportunities, and since the productivity advantages of newer vintages of capital typically require more skilled workers to be realized, this raises demand for skilled labor. Higher skills demand in turn drives up the skill premium, encouraging current and future students to invest more in skills acquisition through schooling.

This process is far from automatic. Rather, the AH analysis concludes that to sustain growth requires as necessary conditions:

- A good **education system**;
- A **financial ecosystem** that facilitates innovation and risk-taking, especially by new entrants, which are typically small or medium-sized enterprises (SMEs); and
- **Competition policies** that favor entry and growth of new firms and ensure that market leaders cannot prevent others from entering.

If any one of these is absent or inadequate, then the potential for skills and capital to complement each other to raise productivity will also be impaired. Success in productivity growth requires *complementary* conditions and thus demands broad policy coordination.

Are the generic conditions for productivity growth met in Vietnam?

Vietnam’s **education system** is recognized as robustly strong and reasonably equitable, at least by comparison with most other developing economies (Kataoka et al. 2020).

However, the **financial system** needs significant improvement, especially in its policies and practices toward lending to private-sector companies in general and SMEs in particular. Constraints on SMEs’ access to financial capital limit their ability to expand, discourage risk-taking, and reduce their capacity to make investments that upgrade capital and technologies. Evidence for the presence of such constraints in Vietnam’s financial system is abundant (Phan and Coxhead, 2024). More positively, the government has in recent years implemented a wide range of tax incentives and other fiscal and regulatory policies in support of new firm establishment and expansion, technology acquisition, and production partnerships with foreign firms.⁸

Vietnam’s **competition policies** have undergone extensive reform in recent years, but large parts of the economy are still dominated by state owned enterprises (SOEs) or their partially-equitized successors, with the result that new companies find it harder to grow (Phan and Coxhead, 2020). Moreover,

government continues to show inclination for picking (or preferring) “winners” in industrial development. In the rapidly-growing electric vehicle (EV) market, for example, policy has tilted toward support for a small number of high-profile manufacturers with tax breaks, land access, and infrastructure funding, while consumer-facing incentives (which would not favor any specific EV producer) have lagged behind.⁹ Encouraging innovation requires a more level playing field, especially for younger and smaller enterprises.

Country-specific conditions

In addition to the generic AH conditions, we need to consider the country-specific setting. First, it makes sense to reinterpret the idea of “innovations” for a middle-income country that does not in general have the capacity to undertake R&D at scale. Second, the generic growth model largely ignores complications associated with trade, participation in global value chains (GVCs), and international flows of labor and capital; yet in a country like Vietnam, these are central to the growth experience.

It is now recognized that firms can grow and even become market leaders by means other than through R&D and technological innovations. In an economy linked to GVCs they have an alternative path, which is to become leaders in specific niches along the supply chain. In other words, *imitation* may be an effective transitional growth strategy for economies where *innovation* is less feasible (Aghion et al. 2025). One key to success in imitation is *cost discovery* (Hausmann et al., 2007). A firm experiments with supply of a particular product to the market. If it succeeds, then it is encouraged to expand, invest, and improve technology. Moreover, other firms in the same industry, observing its success, will imitate it and some of them may also succeed. The industry as a whole may benefit from spillovers of knowledge and skills, both horizontally (across firms performing similar tasks) and vertically (along related parts of the supply chain). Entrepreneurial initiatives leading to cost discovery can be a source of dynamic growth through creative destruction, specialization and trade.

This process could be seen in China’s early industrialization, when entire cities became specialized in single product categories such as socks or footwear. Of course, if the innovating firm is in a skill-intensive market niche, then this process will dynamically raise demand for skilled workers. China’s massive EV industry is expanding fastest not in traditional manufacturing centers located in large coastal cities, but in new locations such as Xi’an in Shaanxi province (BYD) and Hefei in Anhui province (NIO Inc.), and its presence in those locations is creating entirely new intermediate-goods manufacturing hubs (Sixth Tone, 2025).

Vietnam is relatively open to new capital flows, so firms that succeed or show promise in international markets will attract foreign capital and partnerships, thereby consolidating their gains and enhancing their growth potential. Foreign capital may be considered in part as a substitute for capital accessed through the domestic financial system. However, that substitution relationship probably operates best for established and larger firms. Risk and collateral considerations mean that foreign capital is less likely to flow into startups unless they are outgrowths from larger and more established enterprises.

The role of industrial policy

In this vision for growth through innovation, creative destruction and complementarities, what is the role of industrial policy? It is tempting to try to emulate the earlier industry-focused industrialization strategies of Japan and South Korea, and of today’s China (for example, Huang et al., 2025). However, the “vertical” industrial policies pursued in those countries are almost certainly infeasible in Vietnam due to the small size of its economy, as well as fundamental differences in global conditions today compared with the past. Among those differences is the fact that China, which now accounts for a very large share of the global market for innovative manufacturing processes and products, has by its own remarkable success made it very difficult for smaller, later economies to move into the same industrial niches.

Picking winners is also very costly. Subsidies are a drain on the public purse, while protection policies may impose higher costs on domestic producers by inducing input demand diversion from cheaper sources in global markets. In addition, by their nature “vertical” industrial policies encourage anti-competitive, rent-seeking practices, which run counter to the AH prescription for productivity growth through competitive behavior and creative destruction.¹⁰

It is therefore doubtful that East Asia-style industrial policies are viable templates for Vietnam’s growth strategy. China’s contemporary success with such policies probably owes as much to economies of scale and internal competition producing domestic supply-chain gains (lower prices of machinery and other advanced intermediate goods to domestic final goods producers) as it does to direct gains from increased exports of those same products. A much smaller economy like Vietnam cannot hope to achieve comparable scale economies or intra-industry competition. In addition, industrial policies are more likely to attract retaliation when adopted by a relatively small economy.

Rather than picking winners, Vietnam will have better success at “horizontal” industry policy. That means creating conditions in which knowledge-intensive industries of many different kinds each have a chance to flourish. In this context, fostering private sector formalization and development, especially among SMEs, may be pragmatic. These firms can innovate incrementally through cost discovery, gradually absorb and utilize higher levels of skilled labor, and integrate into higher segments of the value chain over time. A strong domestic private sector can also act as a bridge between current production capabilities and future technology-intensive FDI.

This approach also aligns well with recent government actions. Early in 2025 the government issued a resolution¹¹ aimed at promoting private sector development, with the explicit goal of positioning it as the most important driver of national economic growth. This policy direction suggests growing recognition that sustainable upgrading of the economy must be anchored not only in attracting better FDI, but also in strengthening domestic enterprises that can retain talent, build capabilities, and support long-term structural transformation.

Creating attractive domestic opportunities for skilled workers

Finally, along with addressing the weakness in the demand for skilled labour, a middle-income country like Vietnam needs to create the conditions under which skilled workers have stronger incentives to stay, return, or invest their skills in Vietnam. Skilled workers are internationally mobile. When making decisions about where to live and work, they consider more than just salary. They typically also want promising opportunities for growth. They also value amenities such as good schools and health care; living conditions (including environmental quality); recreational opportunities, and less tangibly but equally importantly, good governance, rule of law, respect for human rights, and social as well as political freedoms. International data show that skilled workers are very willing to relocate internationally to find the mix of income, opportunity and amenities that they seek. Thus, it is vital to provide good living conditions as well as rewarding jobs. From an international perspective, Vietnam can be globally competitive in skill-intensive industries if skilled workers are relatively cheap to hire; this is more likely to be the case, if those workers are happy to accept a lower wage (by international standards) in return for lower living costs, good amenities and promising opportunities for fulfilling careers.

3. Policy implications

Aligning educational incentives

Vietnam has set itself the ambitious goal of reaching high-income status by 2045. To sustain growth through middle income will require both the accumulation and the productive application of human capital. The recent record on this is mixed. Educational deepening has been steady, if unexceptional by regional standards. Less obviously, the application of existing human capital to activities with potential to

enhance productivity growth has yet to reach full potential. This is understandable given the history of specialization and investment in low-skill activities; external challenges to industrial upgrading; and imperfect policy coordination in mandates (such as finance and competition policy) that are complementary with labor force upskilling.

Vietnam has attracted a great deal of foreign investment in export-oriented processing and light manufacturing and as a result, job openings and wages in blue-collar occupations have grown faster than those in occupations for which higher education is required. The lure of a reasonably well-paid blue-collar job, combined with a low and declining skill premium, still induces many teens to terminate schooling after completing compulsory grades. In the past two decades, Vietnam's Grade 9 (lower secondary) completion rate has risen to almost 90%, but the Grade 12 (upper secondary) completion rate remains stubbornly below 60% – well below the 100% rate targeted by education policymakers.¹²

The general insight is that for countries with comparative advantage in industries dominated by blue-collar employment, globalization increases the risk that higher profits and rising investment in such industries, with high rates of early school-to-work transitions, may become a self-reinforcing dynamic. The goals of a more highly skilled labor force and a more knowledge-intensive set of industrial activities will become harder to reach, even as average household incomes increase.

This process has implications for the longer-run accumulation of human capital in the labor force. Current students may anticipate lower net returns to upper-secondary and tertiary education. The labor *supply* response to lower skill premia in domestic employment is a mix of reduced growth rates of investments in schooling, and search for better options in the global labor market. Among Vietnam's ASEAN neighbors, Thailand is broadly representative of the first response, while the Philippines provides a strong example of the second. In Vietnam, we see a mix of both.

Because the mandate of every education ministry is to improve schooling, education policy typically aims to improve access and quality of schooling and thus focuses most of its resources on direct schooling costs and quality of the educational experience. However, the labor market may either support or disrupt educational development efforts by altering the opportunity cost of schooling or the skill premium.

A broad view of education policy will take distribution-sensitive household responses into account. Education policy for sustained growth will both encourage additional schooling and help to ensure that those investments are rewarded by increases in demand for more skilled workers. Public-private partnerships on training and industry upskilling are one avenue. Trade and macroeconomic policies that encourage more skill-intensive patterns of industry growth are another.

Capturing complementarities requires coordinated policy

Drawing on established growth models, and adapting them to the specific conditions of Vietnam as a small, open middle-income economy, we have made the case for a *package* of policy reforms as prerequisite to a rapid and sustained transition towards a knowledge economy. Education policy alone is insufficient, as increasing the *supply* of graduates without sufficiently changing the *demand* for their skills will likely result in lower skill premia, increased brain drain, and possible higher rates of graduate unemployment. For dynamic growth in skill-intensive industries, complementary policies are needed to facilitate and encourage innovation at firm level, especially among SMEs. We see innovation as taking the form mainly of cost discovery by firms seeking profitable niches within global supply chains. For such private sector ventures to have a chance of success, appropriate policies on financing and competition policy are essential, as are policies to facilitate international trade. Government or government-backed assistance with cost discovery and the formation or maintenance of global market network linkages—in the way that Japan's JETRO does for Japanese firms, for example—would also lubricate the engine of growth.

We also encourage a broad view of human capital investments to include not only education, but also the creation of living conditions that meet the expectations of internationally mobile skilled workers. To attract and retain a highly skilled labor force, Vietnam needs to offer a bundle of income, opportunity, amenities and freedoms comparable with popular “outside option” countries like Japan and South Korea.

A policy package that prioritizes complementarities will give Vietnam its best chance of sustained productivity growth with skill-intensive activities increasingly in the lead. In the longer run, this strategy will not simply enrich a small group of skilled workers; it will likely also improve equity and reduce vulnerability in the population as a whole.

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Endnotes

¹ This policy note is based in part on I. Coxhead, 2025: “Trade, mobility and the human capital dividend in ASEAN economies”, in Abdullah (ed.) 2026: *ASEAN in 2025: Shaping a Sustainable and Inclusive Future* (Kuala Lumpur: ISIS), and on research reported in Ian Coxhead, Nguyen Dinh Tuan Vuong and Banh Thi Hang, 2026: “Local labor market effects of FDI: job growth and skills demand in Vietnam” (IDE Discussion Papers No. 1005). The authors alone are responsible for any remaining errors. Address for correspondence: ian_coxhead@ide.go.jp.

² Nor is there any *a priori* reason why adding to the stock of skilled workers should reduce the skill premium, since complementarities between skills and capital can push it the other way. For US data on this, see Aghion and Howitt 2009:4.

³ OECD DIOC (Database on Immigrants in OECD and non-OECD Countries). The share of tertiary-educated individuals, 35.6%, is a lower bound as 8.7% of the datapoints are listed as educational status unknown. <https://www.oecd.org/en/data/datasets/database-on-immigrants-in-oecd-and-non-oecd-countries.html>, last accessed 27 December 2025.

⁴ MOLISA data reported in <https://vietnamtimes.thoidai.com.vn/record-high-number-of-vietnamese-working-abroad-80108.html>. The largest destinations (in order) are Japan, Taiwan and South Korea.

⁵ For a detailed description see Garcia-Macia et al., 2025.

⁶ For detailed analyses of the effects of China’s policies on production structure and skill premia in Vietnam and other ASEAN countries, see Coxhead et al., 2026a.

⁷ Readers can confirm these comparisons using the visualization tools available at <https://riva.negotiatetrade.org/#/>.

⁸ See, for example, <https://www.kizuna.vn/en/news/vietnam-government-s-manufacturing-support-policies-and-tax-incentives-1487>, and <https://kpmg.com/vn/en/home/insights/2021/06/consistent-incentives-needed-to-support-industries.html>.

⁹ See, for example, <https://www.ucanews.com/news/one-companys-dream-a-nations-dilemma/109967>

¹⁰ China’s manufacturing industrial policies are estimated to cost the equivalent of 4% of GDP and have, by some estimates, actually led to *lower* TFP. See Parikh (2025) and Garcia-Macia et al. 2025.

¹¹ Politburo Resolution No.68-NQ/TW, 4 May 2025.

¹² Internationally comparable data from UNESCO Institute of Statistics. See also Parajuli et al. 2020.