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From Jobs to Skills: Rethinking Vietnam's FDI success

Despite its rapid industrialization, the country's economy is not creating enough jobs that make productive use of advanced skills.

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People riding motorbikes in Hanoi, Vietnam, Jan. 3, 2018.
Credit: Depositphotos

Vietnam attracted $34.65 billion in registered foreign direct investment (FDI) in the first half of 2026, 61 percent more than the same period in 2025. At the same time, realized FDI reached $13.03 billion, its highest first-half level in five years. Observers including Harvard's Growth Lab have also pointed to Vietnam's increasingly diverse and sophisticated export base as a source of strong long-run growth prospects. By conventional measures, the country's development model is working.

Despite this, another important labor-market signal has been moving in the opposite direction. Since the late 2000s, the wage premium earned by staying in school has been falling, with

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