

# Fulbright University Vietnam to be 1st Vietnamese non-profit private university

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**For the first time in Vietnam, an American-styled non-profit private university will be established – the Fulbright University Vietnam (FUV). What difference does this model of university bring to the existing Vietnamese private higher education system?**

In an interview with *Tuoi Tre* (Youth) newspaper, Thomas Vallely – former director of the Vietnam Program at Harvard University and co-founder of the Vietnam Education Foundation (VEF), currently the chairman of the Trust for University Innovation in Vietnam (TUIV – FUV’s investment fund) - shares:

- Although it is a private initiative, FUV enjoys the strong support of the U.S. and Vietnamese governments. Since 1995, higher education cooperation has been a cornerstone of the U.S.-Vietnam relationship. In fact, it’s possible that higher education offers the most potential for the development of the relationship between the two countries.

In July 2013 President Barack Obama and President Truong Tan Sang endorsed the initiative. In December 2013, Secretary of State John Kerry discussed FUV with the Vietnamese leadership. A special inter-agency task force has been established by the Vietnamese government to work with FUV’s supporters to ensure rapid implementation.

The Vietnamese Higher Education Law 2012 recognizes for the first time the non-profit status of private higher education institutions. FUV will be a vibrant policy exercise for this new type of higher education institutions. The challenge here is that the American model of non-profit private universities is new to Vietnam. Because it is unprecedented, Vietnamese state management in higher education has not had a clear regulatory framework for such a model. We hope to receive support and cooperation from relevant authorities in establishing a specific governance mechanism for FUV.

## **Four-pillar financial model**

***We learned that FUV would operate in a special financial mechanism with the investment of TUIV. Could you describe the scale of TUIV investment for FUV?***

The Trust for University Innovation in Vietnam is spearheading the emergence of FUV, taking the lead in raising money, drafting a detailed business plan, and providing strategic guidance. The Trust is raising money from Vietnamese and American benefactors, including individuals, corporations, foundations, and donor agencies. FUV’s long-term financial viability will hinge on its ability to cultivate a diversified funding base that includes tuition, research funding, and endowment income.

While modern philanthropy remains underdeveloped in Vietnam, we are confident that FUV will mobilize significant resources from within Vietnam. Securing this support will be contingent on prospective benefactors seeing that FUV actually operates as a not-for-profit organization – a status that no Vietnamese private university has achieved. Through challenge grants, TUIV will leverage the contributions of Vietnamese donors.

The FUV financial model will be based on four major pillars, including tuition, philanthropic contributions, research grants, and endowment revenues. As mentioned before, being a 501(c)(3) charitable foundation, TUIV must operate on a non-profit basis to maintain its legal status in the U.S. Contributions to TUIV from American individuals and organizations will be tax exempted.

FUV in its turn does not have shareholders and therefore its profits (if any) will be invested back into the development of the institution. This is an incentive mechanism to encourage philanthropic practice in America and is a tradition among American non-profit universities and colleges.

Individuals donating to universities and colleges don't do so to seek profits but as a good will to develop and repay the society. Their donations are acknowledged and often live on as the institution sustains. On the Vietnamese side, we are working with Vietnamese stakeholders and relevant authorities on a tax incentive mechanism for Vietnamese contributions to the development of FUV.

FUV seeks to raise \$50 million during the next three years and to mobilize \$100 million by 2020. The Vietnamese Prime Minister's approval in principle for TUIV's investment in FUV is probably by far the strongest and most specific support for the initiative from the Vietnamese government.

On the U.S. side, TUIV is working with the U.S. Congress on a potential grant for FUV within the framework of the Congress' educational exchange initiatives. It is hoped that FUV will set an example of effective higher education governance and quality assurance in the Vietnamese higher education system. It will embody the principles that are prerequisites for educational excellence: academic freedom, meritocracy, transparency, and accountability.

### **Meeting the needs of the private sector**

***Besides the difference in university governance model, will FUV offer the same education as the prestigious Fulbright Program in the U.S. or will it adapt to the specific conditions of Vietnam?***

After establishment, FUV will incorporate the Fulbright Economics Teaching Program's (FETP) Master in Public Policy (MPP). In fact, the relevancy of FETP's MPP program to Vietnam's conditions is one of the factors that contributes to the program's success.

When FETP was first established in 1994, in order to meet the needs of the country's economic reforms, FETP offered the one-year postgraduate program in applied economics and public policy which taught off-the-shelf market economy using textbooks and curriculum from Harvard's John F. Kennedy School of Government. Over time, FETP has developed its one-year program into the current MPP program which began in 2008. FETP's steady flow of high-quality research ensures that the curricula remain highly relevant to Vietnam's constantly evolving economic conditions.

Similar to the MPP program, FUV's new degree programs will be developed in cooperation with American academic partners and with the consultancy of the business community to ensure the quality and market relevancy of FUV's curricula in order to meet the need of a skilled labor force of Vietnam's economy.

FUV's founders envision that great universities are part of the wider community and draw strength from their relationship with business, government and civil society groups. The new institution's stakeholders are already engaged in a dialog with the business community in Vietnam. This type of institutionalized engagement with the corporate community will provide the much needed feedback loops which are critical to ensure that the FUV's teaching programs respond to the demands of business for skilled managers and technicians and that FUV's programming directly supports Ho Chi Minh City and Vietnam's continued economic development.

As a private, autonomous institution, FUV's survival will hinge on its ability to mobilize resources from within Vietnamese society. This will provide the institution with strong incentives to remain responsive to business, alumni and the wider community.

FUV will benchmark itself against the best by pursuing accreditation from U.S. accrediting bodies. Additionally, FUV will seek discipline specific accreditation. It will be laser-focused on recruiting talented Vietnamese scholars and scientists by offering a professional environment and individual incentives commensurate with those available in the U.S.

***What degree programs will FUV offer? What is the expected tuition level?***

- FUV will incorporate FETP's MPP program. The MPP program will continue to be a scholarship program. All applicants who are admitted to the MPP program receive a full two-year scholarship that covers tuition fees. During the first year students receive allowances for the cost of living and travel.

Besides the MPP program, in the first stage, FUV will also offer master's programs in management and technology. When conditions allow we will expand to undergraduate and doctorate levels. A detailed business plan is under development to submit to the Ministry of Education and Training. We will provide more information about our degree programs and tuition levels after the business plan is available.

We would like to emphasize that in the process of developing FUV, FETP's activities remain as a partnership between Harvard's Kennedy School and the University of Economics Ho Chi Minh City, receiving core funding from the U.S. Department of State. FETP's MPP program will continue to admit new classes every year. The MPP program is currently accepting applications until July 4, 2014 and entrance examinations will be on July 27, 2014.