



The United Nations Development Programme Viet Nam

**Public Administration Reform and Anti-Corruption
A Series of Policy Discussion Papers**

**The Reform of the Civil Service
System as Viet Nam moves into the
Middle -Income Country Category**

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Summary

Viet Nam has a vision to build a democratic, clean, strong and modernised civil service. The Ordinance of Cadre and Civil Servants was promulgated in 1998, revised in 2000 and 2003 and the new Law on Public Officials and Civil Servants will come into effect on January 2010. The government has also with the PAR Master Programme (2001-2010) made efforts to improve the quality of the civil service and civil servant management, with mixed success. However, the PAR Master Programme is coming to an end and as Vietnam reaches its goal of achieving middle income status what further reforms will be needed to ensure that the Vietnamese civil service is fit for purpose to manage its economy, its people and its resources for the continuing prosperity of the country? Although the reform efforts in the PAR Master Programme have produced some improvements the current contingent of civil servants is still generally perceived as lacking the necessary competence, work ethics and motivation to meet the requirements of the country's development.

This policy discussion paper draws on comparative lessons from other countries and proposes that the reform of the Vietnamese civil service in the next 10 years should be based on an integrated human resource management and development framework that is underpinned by the principles of merit, performance and objectivity. Getting the staff appraisal system right and making it effective in assessing actual performance is a critical step. However, effective staff appraisal is in turn dependent on two conditions - a system of competencies, as it provides the foundations for all the other human resource management functions in a merit based system and a performance planning system to identify job outputs and targets.

Given the political reality in Viet Nam, the pace of civil service reform has to be steady rather than radical. However, the effectiveness of reforms can be enhanced if the direction of reform can be expressed in a framework that identifies starting and sequencing issues, as well as sustaining conditions, within a broad timeline. This would provide a better rationale for enabling the gradual build up of the foundations or tipping points that can lead to further reforms.

The recommended reform actions are firstly to promote merit and performance based principles and make this an overarching principle. Secondly, to develop a national civil servant competency framework to provide the foundation for a merit based modern civil servant management practice and performance management. Thirdly, continue to develop relevant policies and practices for right-sizing and managing specific groups of cadres, civil servants and public servants. Fourthly, enhance the capacity in policy formulation and implementation and improve the oversight of civil servant management and development. Fifthly, make use of key tools in a merit and performance based civil service system such as job evaluation, job descriptions and performance appraisal as a basis for recruitment, promotion, training and remuneration. Sixthly, introduce competition into civil service training, especially in competence based training, by opening up to private service providers.

The next step if the ideas proposed in this paper are accepted is a systematic review of the capacity required to develop civil service reform programmes, coordinate implementation and monitor the results. The review will need to identify how this capacity can be established and supported, who will be responsible, when it is going to be done and what resources are needed. Another key step is to identify and carry out a programme of pilots in both civil service and public service agencies that together will provide a body of experience and evidence to develop a systematic national human resource management and development framework, as well as guidelines for ministries and localities to implement.

1. Introduction

Vietnam's economy has grown so rapidly in the last 10 years that it is expected to reach middle income status in 2010. In parallel with the economic reforms Vietnam has made great efforts at public administration reform so that it is able to successfully manage the transition to a market economy. However, as Vietnam achieves the goal of middle income status it will face new challenges such as the scaling down of development aid, the higher expectations of its citizens and having to compete globally with other middle income countries. What further reforms are therefore needed to ensure that the Vietnamese civil service will be fit for purpose to manage its economy, its people and its resources for the continuing prosperity of the country?

The purpose of this policy discussion paper on civil service reform is therefore to analyse and identify options for the reform of civil servant management and development in the next 10 years, as Vietnam moves into the middle income country category.

There are many lessons, both positive and negative, that can be drawn from the experiences of civil service models around the world. As Vietnam faces a middle-income future a pertinent question is what comparative lessons can Vietnam learn from the civil service reforms of other developing countries that has transitioned from a low-income to middle income status. Also, since the Vietnamese civil service system contains some unique features not found in many other countries a careful review of the current system was also carried out to enable a better understanding of how further reform measures could be developed and applied. The ideas formed were then supplemented by interviews with central and local Vietnamese civil servants and counterparts¹ as well as a workshop in the National Academy of Public Administration (NAPA) and a workshop with development partners. UNDP's review of the draft final report, and comments from two peer reviewers at a March workshop convened in Ha Noi by the Viet Nam Fatherland Front (VFF).

The paper begins with a brief description of the existing Vietnamese civil service system, an analysis of the Party's policies regarding the civil service, a review of the reform trends in civil servant management that started with Doi Moi in the mid-1980s and an assessment of the implications of the new 2009 Law on Public Officials and Civil Servants. The paper continues with a review of comparative lessons and experiences from other countries, which includes a broad description of the strengths and weaknesses of the main types of civil service models available in the world and the main features of career-based and position-based systems, followed by a more detailed analysis of potentially useful lessons and reform features that may be relevant to Vietnam.

The paper then explores at the policy level, taking into consideration the political realities in Vietnam, the critical success factors and the principles of merit, performance and objectivity that could provide the underpinnings of a possible reform framework for the Vietnamese civil service in the next 10 years. The paper also considers what overall approach can be taken to implement a merit based reform framework and the reform paths that should be taken. Finally, the paper concludes with recommendations for the next steps in taking forward the ideas outlined here.

2. The Vietnamese Civil Service

This section describes the general features of the civil service in Viet Nam and a summary of reform efforts that have taken place. After that, it discusses the current situation and weaknesses of the civil service and ends with a discussion on possible implications of the new Law on Public Officials and Civil Servants.

2.1 General features of the Civil Service in Vietnam

As a country in transition from a centrally planned to a market economy it can be said that in-depth discussions about the Vietnamese civil service began only when “Doi moi” started some two decades ago. Due to its historical and cultural circumstances there are several unique features that have profoundly impacted on the Vietnamese civil service:

- a) First, the civil service that developed from a century long colonial period under the French emphasised a mandarin structure to rule society rather than a civil service to serve the general public. Then the thirty year long wars that followed prevented the nation from building a proper system with the characteristics of a modern civil service.
- b) Second, Vietnam underwent a long period of central planning more or less following the Soviet style, and the “cadre” system which did not clearly define civil servants from other public officials. Hence, the Vietnamese civil service is based on a ‘cadre system’ (a term used to be deployed for mostly former socialist nations such as the USSR, the Eastern European countries, China, Vietnam and Laos). There was no clear definition of the civil service and no concerted official effort to develop the concept in a systemic way. The overwhelming characteristic was that as there was little choice for employment in the private sector the main choice of employment was with the state.
- c) Third, Vietnam is a single party ruling country with the Communist Party of Vietnam (CPV) as the leading force of the government. Most of the public officials are also members of the party and the notion of “civil servant neutrality” has never been applied. The personnel management system for the Party runs in parallel with that of the Government. Although there are practical benefits to this dual subordination system there are also disadvantages such as duplication of effort and sometimes tension between the needs of the Party (political imperative) and the requirements of the bureaucracy (impartialness and technical competency).

These 3 features are highly significant, as they underline the development and current status of the civil service system and will continue to have significant impact on how the civil service will develop and operate in the future. Even as Vietnam becomes a middle income status country and the civil service needs to be reformed to meet new challenges these features and their implications should not be neglected when analysing the civil service system to develop policy options for its further reform and improvement. In particular, the third feature is highly significant:

“We can never separate between cadres and civil servants in Vietnam as they have worked together in the history of the country. The significance is to improve their effectiveness and efficiency”²

According to the Law on Public Officials and Civil Servants³, public personnel in Viet Nam are grouped into public officials⁴ (can bo), civil servants (cong chuc) and commune officials and servants (can bo, cong chuc cap xa). Public officials are those who are elected

or assigned to a fixed term positions while civil servants work more or less on a permanent basis. Public officials and civil servants can work for the Party, socio-political organizations and administrative agencies. Commune officials and servants do not differ with public officials and civil servants but they work at the commune level. The law does not cover the “public employee” (vien chuc) group who work for public service delivery agencies and this group will be subject to another law.

There are no precise statistics of the number of public personnel. The estimated number of public officials and civil servants working at the central, provincial and districts levels is 300,000; the number of those who work in public service delivery agencies is 1,400,000 people and the number of commune officials and servants is 200,000 people⁵.

Civil servants are also categorised into corps of ‘senior experts’ (Group A), ‘principle experts’ Group B) and ‘experts’ (Group C) and ‘below expert’ Group D). Advancement along this grade scale is mainly based on seniority and the results of corps promotional examinations. As a general practice it takes nine years to move from expert to principal expert level and six years to move from principal expert to senior expert grade. Officers at commune level are divided into ‘elected’ officers (e.g. chair and vice chair of the People’s Committee) and ‘appointed’ officers (professional staffs).

Generally speaking, the civil service in Vietnam is largely organised as a career based system. Civil servants enter the civil service through a competitive recruitment process followed by a probationary period. After successful completion of the probationary period officers would generally expect to move up the grading scale. The achievement of a higher grade has great influence on career opportunities for management and leadership positions. For example, candidates for department directors must have principal expert level.

2.2 Reform Efforts in Civil Service Management since Doi Moi

Vietnam has a vision to build a democratic, clean, strong and modernised civil service. Since the start of Doi Moi a number of initiatives have been taken to improve the civil service legal framework. The key milestones in developing the legal framework are:

- The Ordinance of Cadre and Civil Servants in 1998;
- The revision of the Ordinance on Cadre and Civil Servants in 2000 and 2003
- The Law on Public Officials and Civil Servants which will come into effect in January 2010

Following the introduction of the Ordinance of Cadre and Civil Servants in 1998, policies and procedures for civil service management have been developed in a more systematic manner, compared with the previous period. Notably, the revision of the Ordinance on Cadre and Civil Servants in 2003 has resulted in improved classification and policies regarding the management of administrative civil servants and service delivery public officials.

The promulgation of the national Public Administration Reform (PAR) Master Programme (2001-2010)⁶ was a significant reform effort to develop a socialist rule of law state; a democratic, clean, strong, modernised and professionalised public administration; qualified and ethical cadres and civil servants; efficient and effective state agencies relevant to socialist oriented market mechanism; and integration into the global economy to meet the country’s rapid and sustainable development.

One of the 4 components making up the PAR Master Programme is the improvement of cadres and civil servants. The aim was that by 2010, cadres and civil servants will be of

reasonable number, professional and capable of discharging their public duties. This was to be achieved by reforming the management of cadres and civil servants; strengthening the capacity of cadres and civil servants; enhancing the accountability and moral quality of cadres and civil servants; establishing professional standards and norms and encouraging a sense of accountability and transparency in activities related to citizens. Another aim was to reform the salary system to ensure that the salaries of cadres and civil servants will be adequate to ensure a minimum decent living standard.

The PAR Master Programme has had some successes. Most of the technical human resource management functions have been decentralised to line ministries and local government. Policies and methods of recruitment have changed a great deal in comparison with those in the past. For example, civil servants, including commune officers, are recruited and promoted through competitive examinations following new regulations. Reforms have been made in remuneration with the purpose to gradually create a salary structure that is sufficiently differentiated to motivate and reflect personnel capacity and performance. Salary reform has increased the minimum salary from 180,000 VND in 1999 to 540,000 VND in 2008 and to 650,000 VND from May 1st, 2009. The ratio between the minimal salary level, the average salary level and the maximal salary level was raised from 1.0 – 1.78 – 8.50 to 1.0 – 2.34 – 10 in accordance with Official Document No. 01/BCDTLNN 2005⁷.

Greater financial autonomy through the use of block grants⁸ has allowed state and public services agencies to manage their own staffing, revenues and expenditures. Agencies can prioritize and reallocate expenditure between line items (with some exceptions) and to reduce staff numbers. Any savings that are made from both reduced salary costs and administrative efficiencies, and from income generation in the case of public service agencies, can be retained and used to top up salaries from savings.

All administrative civil servants and cadres have received basic training and the curriculum for the training and retraining in state management, as well as the retraining curriculum for chairmen of communal People's Committees, has to varying degrees been renovated. There is an increasing recognition that civil servants need to be competent to do their jobs and to deliver results and that training should be more effective in enabling civil servants to improve their job performance.

“Competency-base training is required to improve the quality of cadres and civil servants. We have developed the frame curriculum, and will make a manual for the process of courseware development for training and retraining”⁹

However, the mid-term review of the PAR Master Programme¹⁰ pointed out several shortcomings in the implementation of civil service reform during the 2001-2005 periods. Despite certain changes, the reform of civil servant management, for example in recruitment, training, performance appraisal and promotion, has made slow progress and success fragmentary. Also, decentralization in personnel management has been inconsistent and may not have gone far enough.

“At the present, DOHA is working in a vacuum with limited authority in HRM. As the economy grows, we want to be able to solve specific issues in our province”¹¹

“As the central civil service management agency, MOHA should focus on HR policy development, leaving operational matters to the sector agencies and localities to decide”¹²

Consequently, the current contingent of civil servants still do not meet professional competencies requirements and have poor ethical and accountability standards. In the second half of the PAR Master Programme (2006-2010) the stated actions for reform include

further rearrangement and reclassification civil servants structures and the introduction of more vigorous performance evaluation systems and inspection regimes, as well as the development of incentives to attract talented people and reward performance.

Given the low progress of civil service reform, maintaining a competent contingent of civil servants continues to be a great challenge for the Government of Vietnam, and further reforms are required to keep pace with new developments. There is a need to create a more effective regulatory framework that better supports the development of a more capable, professional, motivated and highly ethical civil service. Since the beginning of 2007, the government has been developing a new Law on Public Officials and Civil Servants, which was passed by the National Assembly in November, 2008 and will go into effect in January, 2010. The new Law will provide the principles and key directions for civil service reform in the next 10-15 years. This law will be discussed in more details at the end of this section.

2.3 Current Status and Weaknesses in Civil Service Management

Civil service management in Vietnam is still subject to a number of severe shortcomings such as poor human resource planning, bribes and frauds in recruitment¹³, inadequate remuneration, unrealistic performance assessment, promotion not based on merit and systemic corruption. Although the reform efforts in the PAR Master Programme have produced some improvements the working environment in Government agencies is not generally characterised by trust, transparency, accountability and effectiveness. Whilst there have been enormous training and development activities, the current contingent of civil servants is still generally perceived as lacking the necessary competence, work ethics and motivation to meet the requirements of the country's development.

Although varying to a considerable extent, corruption is perceived as fairly common in Vietnam. The most common forms of corruption are soliciting bribes by creating obstacles, accepting bribes for favours and using public means for personal benefits. Low pay of civil servants is often mentioned as a reason for corruption in Vietnam. Recently, the Government has emphasised more on positive, systematic approaches to reduce the scope of corruption. In contrast with the almost exclusively punitive measures employed before, the new approaches include fostering transparency, minimising bureaucracy and improving the accountability of government officials. The effectiveness of these measures is dependent on good human resource management practices such as human resource planning, job analysis and job description, recruitment and promotion, training, compensation and performance appraisal, including the capacity of line managers in carrying out personnel management duties.

The following parts give a summarised analysis of the current issues, problems and the weaknesses in civil service management practice in Vietnam.

a) Human resource planning

There is as yet no proper systematic personnel planning within an overall organisation development plan, based on an analysis of the current situation, the aims of operation and predictions of personnel changes that may occur in the future, both in quantity and quality, to ensure that the needs and aims of the organizations are achieved. Human resource planning is based on 'staff size' quotas, which mainly rely on proposals by individual agencies. These requests are not always based on actual real needs, resulting in unnecessary budget expenditure and the situation of shortage and surplus at the same time.¹⁴ There are no national statistics on this problem but, for example, the size of teacher surplus in Nghe An Province in 2006 was reported to be 3,400 people¹⁵.

Some aspects of personnel planning have been implemented sparsely in a number of ministries and provinces, for example the piloting of human resource development plans with the support of donors agencies (such as the DANIDA project in the Ministry of Aquiculture and the SIDA SEMLA Project in the Ministry of Natural Resources and Environment). Some provinces and cities, for example, Ho Chi Minh City, Hai Phong, and Dong Nai have produced 'macro' human resource development plans, which are actually labour force requirements to meet local socio-economic development targets, with civil servants development being one component of the plan.

b) Job analysis and Job Description

Job analyses and descriptions are carried out by state agencies but these are limited to defining the functions and tasks for general grades such as experts and principle experts and specialist scales such as lecturers and accountants. However, to support management activities such as staff appraisal and identification of training needs, more specific details of the job are needed. The general standards based on grades need to be supplemented by specific standards based on the position, as well as the professional skills and competence needed.

Some attempts have been made, mainly with donor support, to improve job analysis and job descriptions¹⁶. The main constraint however is the lack of a national framework to provide a consistent set of competencies needed for various categories of grades, post and job types. Competencies define not only the knowledge and skills needed to do a job but also the underlying attributes that lead to excellent behaviour and performance. A national competency framework for civil servants is essential to underpin the merit principle and provide the foundation for modern HRM practice and performance management.

c) Recruitment and Promotion

The policies and methods of recruitment have changed much in comparison with those in the past. There is a movement towards merit based selection methods as civil servants, including commune officers, are recruited and promoted through competitive examinations. Recruitment is largely decentralized and public service agencies, if they are competent enough, can organize their own recruitment examinations as well. However, a weakness of the current practice in recruitment, as well as promotion, is that the examinations mainly focus on attempting to ensure fairness, openness and objectiveness. As the content of the examinations are not related to the jobs there is no means of selecting the best candidates according to the requirements of a job. In addition, nepotism is widespread in recruitment at both the central and local level¹⁷.

Also, the examination content tends to encourage candidates to learn by heart and mechanically remember knowledge, rather than understanding and making use of the knowledge creatively. A typical example of such type of questions is to ask the candidates to recall what is mentioned in legal documents. As a result civil servants tend to be academically qualified but lack practical administrative and management skills.

The Vietnamese civil service is increasingly having problems acquiring high quality job entrants. For example, only 17 out of 300 outstanding students graduated from universities in Hanoi in the 2003 to 2005 chose to work for state agencies. State agencies are also facing increasing 'brain drain' that hampers the operation of government agencies (Box 1).

Box 1: The “wave of leaving” government agencies

During the 2003-07 periods, more than 16,000 civil servants voluntarily left government agencies. The total figure for HCM City is 6,400. The most competent state employees are leaving for private and foreign companies where they are much better paid. In the past, the leaving people were often job entrants and low staff level. Now managers, even seniors managers, are the prime group who leave state agencies. Some government agencies such as the State Bank of Vietnam, Ministry of Finance and the State Security Commission are the worst victims of the ‘brain drain’ as the demand for skilled labour in the finance-banking area of the public sector in Vietnam has been on the rise recently.

A study on ‘public service career’¹⁸ conducted by the National Academy of Public Administration surveyed a sample of 500 civil servants working at the central and local levels. According to this survey, the main reasons for leaving government agencies of civil servants include ineffective remuneration and lack of incentives and opportunity for development. The most popular reasons for working as a public servant are the job itself and job security.

Another serious problem as mentioned in the Official Document of the 10th Congress of the Communist Party of Vietnam: is “...increasing opportunistic and individualism; buying positions, power, bribery to escape legal responsibility and buying of degrees ...”. Buying positions is a problem that can seriously undermine the quality of civil service. Bribery for being promoted or recruited can be considered “the mother of all bribery”, as it creates a “cycle of bribes”. This is because an official who get a position by bribery will try to ‘earn’ back the money he has spent for getting the position.

The problem has been raised several times in the meetings of the National Assembly. However, although it is generally accepted that the buying of positions does occur the extent of the problem is not clear as illustrated in a typical case of buying position provided in Box 2.

Box 2: Bribery for getting promoted - The Ca Mau Scandal

In a meeting of the Party’s standing committee of Ca Mau province on 8th April, 2008, the Party Secretary of Ca Mau province handled in VND 100 millions, saying that it was the money for buying of positions. He added that he could get billions of VND if he accepted such bribes. A review of the organizational arrangement process by central government and Party agencies revealed that required procedures were not strictly followed, seriously undermining the transparency of the appointment process. Appointments were largely made on the basis of favouritisms, not job requirements and competencies of the candidate. Several candidates were found in the wrong positions. However, although the evidence of violation was substantial, the case of “position buying” in Ca Mau could not be confirmed. The Party Secretary was disciplined and eventually removed from his posts.

There have been recent efforts in reforming promotion, which aim to improve transparency and quality of recruitment. Attempts have been made to establish larger and more qualified pools of candidates for consideration. The procedures however appears open to interpretation, as illustrated in Box 3 below.

Box 3: Reform in promotion: the case of Ministry of Education and Training¹⁹

In June 2008 the Ministry of Education and Training (MoET) sent a letter to provinces and universities requesting for candidates for its vacancy of a deputy minister. Besides specifying tasks and requirements of the job, in this letter MOET nominated a candidate who was former rector of a national university. This unprecedented move sparked public debate on whether government agencies had started changing its way for selecting high-ranking officials. There was however disagreement within government agencies whether MoET had properly followed procedures. MoET argued that it still followed the regular procedure for appointment but just wanted to broaden the base of candidates and therefore increase the possibility of being able to select a competent deputy minister. MoET finally had a list of 13 candidates for the position, among them one provincial People's Committee vice chairman, six university rectors, five departmental directors and one director of provincial department of training and education. However, the results of opinion polling showed the candidate previously nominated by MoET received overwhelming support and therefore was selected and appointed.

d) *Training and development*

The major types of training and upgrading programmes for civil servants are residential mandatory courses on politics and state management. These courses are designed to meet the general requirements of experts, principal experts and senior experts grades, hence the training content are, to a large extent, not related to the practicalities of the work environment and tend to resemble academic degrees. Foreign languages and computer application are also compulsory training courses.

Whilst change efforts are underway, current training and development of officials is largely ineffective. This is because the current training methods are overly focused on general theoretical and legal information in large lecture halls, rather than on developing work related skills and competences. In addition, within state agencies there is little or no culture of continuous learning. Long-term development activities such as continuous professional development and post-training follow up like mentoring and coaching is largely missing.

e) *Salary*

Each position or grade on a salary scale consists of a number of levels. Each level of a salary scale is corresponding to a coefficient. The salary that a civil servant earns is simply calculated by multiplying the minimum salary with the coefficient. The minimum salary that is used as the basis for calculating salary had increased 125 percent between 1999 and 2009 (see details in the following table).

Year of increase	Minimum salary (VND)	Percentage increase compared with the previous level	Cumulative percent
1999	180,000	-	
2001	210,000	17	17
2003	290,000	38	55
2005	350,000	21	76
2007	450,000	29	105
2009 ²⁰	540,000	20	125
May 2009	650,000	20	145

Although the government has made efforts to increase salary levels civil servants in Vietnam generally earn a low level of salary that does not meet the cost of living. For

example, a new entry civil servant with a graduate degree currently earns a monthly salary of around VND 1.300.000 (about US\$72). The government is also attempting to create a salary structure that is sufficiently differentiated to motivate and reflect personnel capacity and performance however the current salary system still emphasizes equality of income, at the expense of salary differentiation between grades.²¹

f) *Performance Appraisal*

At present, staff appraisal is carried out according to 8 criteria²². These criteria, however, are general and broadly applied to all staff. Hence, the current system does not really assess the work that people do in a sufficiently vigorous way to enable meaningful assessment of actual staff performance. In fact, they are sometimes mistakenly used as a voting mechanism to select candidates for promotion opportunities.

‘At the moment, the evaluation of civil servant performance is only a formality. The method and criteria for evaluation are inappropriate with no emphasis on the performance results and efficiency The civil servants evaluation system fails to assist the government to understand the working competency of each civil servant in order to use the right person in the right place.....’²³

Recent reforms in personnel management have led to pressure for reforming the ways staff appraisal is carried out. For example, the greater autonomy given to service provision agencies has created an opportunity (as well as a requirement) that these units apply more effective methods of performance assessment. Public service agencies with income have more chance to encourage their staff with material rewards, as they are allowed to have award funds and independently decide how to use these funds. Some of these agencies, especially universities and research institutes, are already pioneering new and more effective methods of staff performance appraisals.

g) *Discipline*

The discipline of civil servants is well stipulated in Decree 35/2005/ND-CP. Disciplinary actions imposed on civil servant include reprimand, caution, salary reduction, grade lowering, demotion and forcible job severance. Enforcement however is problematic. Discipline tends not to be strict because of a cultural characteristic of not wanting to give offence. Also, career based lifelong employment system does not provide the ultimate sanction of removing personnel who are incompetent or who do not complete their tasks satisfactorily.

2.4 The New Law on Public Officials and Civil Servants and Its Implications

To be introduced 10 years after the Ordinance of Cadre and Civil Servants, the new Law on Public Officials and Civil Servants (Law No. 22/2008/QH12) would be considered as a start for a new era or new policy-making cycle of civil service management. The new Law addresses the shortcomings discussed above by setting out the principles and key directions for civil service reform in the next 10 years but it remains to be seen whether this law can fulfil its intended mission. The most important points regarding the new Law and its possible implications are as follows (see Annex 1 for further analysis).

The general aim of the Law is to contribute to the further completion of the civil service regime and cadres and civil servants management; ensuring transparency, openness and accountability in the operations of the civil service; and suited to the situation and specific features of Vietnam.

The Law takes a major step forward by reducing the scope of the civil service to cover only public officials and civil servants and not cover the two remaining groups of public servants who work for public service delivery agencies and managers of state-owned enterprises. These two groups would be subjected to another separate law that will be established in the near future. This opens up possibilities for further socialisation of public service delivery agencies and more flexible human resource management practise. However, the top managers of these agencies would be classified as civil servants and the practical implications for human resource management when top leaders and the staff they manage are subject to different codes will need to be addressed. Otherwise, this would create constraints for personnel management practice in the public services organisations.

Another major step is that the Law defines public officials (cadres) and civil servants separately and provide different regulatory frameworks for these two groups. The Law also defines commune cadres and civil servants as a separate group that is distinct from those working at the central, provincial and district levels. The distinctions between these 3 groups opens the way for more targeted stipulations of rights, obligations, recruitment, training and other human resource management issues. Further regulations and guidelines on human resource management and development therefore need to be developed for each of these groups.

Regarding the structure and management of the civil service the new Law consolidates what have previously been in legal regulations. Compared with the Ordinance of Cadre and Civil Servants, the new Law further clarifies the principles of transparency, subjectivity, effectiveness and equality in recruitment and promotion. The exclusion of those working in public service delivery could pave the way for contract employment and other private sector human resource management practices in these agencies. There is also a recognition that the civil service should be organized as a combination of career-based and position-based arrangements. Further studies on what would be a suitable combination are needed and further provisions on how and what could be applied would be required.

Obligations are emphasised and articulated in greater details and additional obligations and responsibilities are clarified for civil servants who have managerial and leadership positions. These obligations could be further developed to create a behaviour framework for civil servants or a code of conduct. More attention has been paid to performance appraisal and accountability and salary increases and opportunities for promotion are linked to performance.

“In the future, it is necessary to enhance political responsibility of the elected officials; apply some renovated ideas provided in the new law on cadres and civil servants, such as meritocracy, competitive entrance exams and promotion exams etc. to improve the civil service”²⁴.

Effective performance appraisal will require the systematic implementation of job evaluations and descriptions, competences and performance indicators. The Law does stipulate that standards and jobs profiles should be defined for each position, which provides a starting basis for developing a framework of competencies. Although ‘merit’ is mentioned it is not prominent and central to the ethos of the civil service. There are however beginning steps, for example, the linking of the authority for recruitment with the authority for employment, the movement towards evaluating the capacity of a candidate to do the job in recruitment examinations and the emphasis on taking personal responsibility for performance. The principle of merit will need to be further strengthened until it becomes a key underpinning foundation of the Vietnamese civil service.

3. Comparative Systems and Lessons

This section considers comparative lessons that can be drawn from civil service models in other countries and compares the Vietnamese civil service system with countries from three major groups: the Eastern European countries represented by the Russian Federation, China and ASEAN countries (such as Malaysia, Indonesia, Philippines, Singapore and Thailand) in which Vietnam is a member. The aim is to highlight similar weaknesses and what these countries have done to reform their civil service as well as areas that are different from Vietnam but may provide useful lessons.

3.1 Basic Civil Service Models

As discussed earlier, the civil service of Vietnam has evolved from a rather low developed basis, therefore, in the current reform process it is important to learn from the experiences of how other countries has developed their civil service and dealt with their shortcomings the lessons and experiences of other countries. One may argue that other countries are different in many ways including their geographical location, development level, population size, social, political and economic circumstances and so on, making general lessons difficult. While it is true that the civil service systems are not the same, they share general features and experiences in structure and operations that they may also exchange and learn from each other.

Basically, the various types of government in the world can be grouped into four major models based on European traditions (Loughlin 1994) and a fifth based on a cadre system:

- a) Anglo-Saxon (minimal state) based on a social contract between State and citizen, the separation of politics and administration and a high degree of decentralisation is very different from the Vietnamese system
- b) Continental European: Germanic (organicist) based on a cooperative federalism model where the State and citizens is seen as an organic whole, where civil servants are personifications of the State and the State is a transcendent entity is somewhat closer to Vietnamese system
- c) Continental European: French (Napoleonic) where the State is unitary, indivisible and has a highly centralised authority is perhaps closest to the current Vietnamese system
- d) Scandinavian (mixture of Anglo-Saxon and Germanic), which combines the idea of the State and citizen as an organic whole with a participatory and local autonomy ethos.
- e) Cadre/Civil Servant system, based on a notion of 'democratic centralism' that has developed and is continuing to evolve from some of the former socialist nations, such as China and Vietnam.

The establishment of a civil service structure is generally determined by a country's history and socio-political systems. For example, countries such as the United Kingdom, Denmark and Germany had a strong monarchical tradition, which initially meant that the civil servant directly served the sovereign. Over time, this developed into a culture of civil service management based on the principles of negotiation and contract, leading to the job or position system. However, other countries such as France, Spain and Greece had experienced revolutionary movements in the past and needed to set out statutory provisions

for impartial, egalitarian civil services to guard against authoritarian political systems, resulting in the adoption of predominantly career systems²⁵.

Civil service systems can be described as either pre-dominantly career or positioned based. 'A career system is 'closed' in the sense that entry is usually to the lower ranks and more senior positions are filled from within the ranks. In position-based systems (also called job-in-rank systems), on the other hand, the emphasis is placed on selecting the right candidate for the position to be filled'²⁶

The main features of the two systems are²⁷:

Features	Career-based	Position-based
Employment arrangement	Life long	Contract
Stability	High	Lower
Flexibility	Less	High
Focus	Emphasise common values and consistency	Emphasise individual performance and results
Recruitment	Initial open competition at entry level	Open competitions at all levels based on job requirements
Promotion	Length of service and seniority	Competencies necessary for performance
Private Sector	Closed, little interaction with private sector	Open interaction with private sector and greater use of private sector HR practice

There is a growing consensus that the current predominantly career based system in the Vietnamese civil service is one of the major causes of the shortcomings of the system. The increasing interest in position based civil service systems is now reflected in the new Public Officials and Civil Servant Law. However, other than stating the need "to combine the career-based and position-based", the new Law does not provide information on what and how to make the system more position-based. The key features of the position based system that the Vietnamese civil service system should adopt into its career based and cadre /civil servant system are:

- recruitment and promotion of the right person with the right skills and qualification to the right job
- recruitment and promotion criteria should be based on job requirements

3.2 Comparative Examples

a) *Scope and Legal Mandate*

With regard to the coverage of the civil service, except for the Philippine system which covers the executive, legislative and judicial branches, the civil service systems in other ASEAN countries and most countries in the world cover largely the executive branch of their country's government structure. However, the Vietnamese civil service is based on a 'cadre' system' and the newly adopted legislation governing the civil service is still called 'Law on Public Officials and Civil Servants'. Under the Soviet system, for example, the personnel management function was subsumed into the nomenklatura system of cadre management. The association of personnel management with the nomenklatura system has had the effect of inhibiting development of normal personnel management functions and transferring into the personnel management function many of the characteristics associated with nomenklatura (secrecy, lack of transparency and accountability)²⁸. The Vietnamese civil service also shares some of these negative characteristics.

Almost all countries have a civil service law the enforcement of which strengthens the effectiveness of state management and public service delivery. Within the ASEAN region, Indonesia's civil service law was enacted in 1974 and revised in Law 43/99. In the Philippines the civil service is provided in the Constitution as well as the Administrative Code of 1987. In Thailand, the civil service act was issued in 1992. Some countries, like Singapore and Malaysia, have separate laws or acts for the central agency in charge of civil servant management.

Even for countries based on the cadre system the trend has been to establish laws to define the civil service and to separate civil servant management from cadre management. For example, in the Russian Federation, the Civil Service Law was developed and enacted in 1995 with some modifications in the following years. China established its Ministry of Personnel in 1998 on the basis of the 1993 provisional regulation on state civil servants and the civil service law of China was promulgated in January 2006. The new Vietnamese Law on Public Officials and Civil Servants have some similarities with the Chinese Civil Servant Law in emphasising the rights, obligations and responsibilities of civil servants, conformation to the Party, covers a wider range of public employees and provides less clarity on the role of central personnel management agency.²⁹

b) Civil Service Structures

Most of the ASEAN nations, like many of countries in the world, follow either a career or a position system. Like other countries the Vietnamese civil servants are generally categorised in a hierarchy according to the manner of work to be done and the requirements of a position or grade. The corps of experts, principal experts and senior experts in Vietnam, for example, reflect the complexity of work, the requirements for those holding the position as well as the responsibility and accountability. Progression upwards is based on examinations but in reality is highly subjected to a patronage system lacking in transparency and resulting in abuse such as 'buying positions'.

Generally, reforms in other countries have tried to mitigate the weaknesses of a patronage career based system by introducing different ways of appointing or promoting civil servants. For example, in Russia, some category A civil servants are appointed through elections and others directly nominated by the federal State organs. Category B comprises those civil servants who are nominated by institutions of category A whilst category C civil servants are nominated by other than federal state agencies³⁰. In some other countries, like the Philippine the civil service positions are classified into career and non-career service, each with their own entry and recruitment systems. The 2006 civil service law in China also provides specifications for non-career employees of the state.

c) Recruitment, Promotion and Retirement

The eligibility criteria to become a civil servant are fairly universal and normally covers nationality, the age requirement, educational attainment, physical and mental capabilities, experience, training and professional qualifications. For certain positions, other personal and moral qualities such as leadership, motivation, communication skills, aptitude and commitment are also considered. The main difference between Vietnam and other successful middle income countries is in the way recruitment and promotion is carried out.

In the majority of these countries, the recruitment system is competitive and decentralised. The central civil service system provides the standards and guidelines for recruitment though the final decision for hiring rests on each government agency/department or local authority. In Singapore, for example, the Public Service Commission is an independent authority for the appointment of officers to the Administrative Service, as well as the appointment and promotion of officers to senior management ranks. Its role is to ensure

that the right person is chosen for the job, and that the selection process is impartial. It is also the final board of appeal to provide a check-and-balance on the personnel decisions made within the civil service and to ensure that civil servants are treated fairly and consistently.

Vietnam too has decentralised many of its civil servant management functions to line ministries and provinces, who in turn has decentralised some functions to line departments and districts. It also attempting to introduce open, competitive examinations for recruitment and purposes and there is a greater emphasis on results. However, implementation is hampered by the lack of human resource practice standards and guidance. An example of a quality standard on human resource practice is the 'People Developer' in Singapore. This standard is a three-year certification scheme which offers public organizations a systematic process to review their people management practices, develop staff and improve training effectiveness.

There are compulsory ages for retirement in most of civil service systems. However, the age requirements vary between 55 to 65 years old and generally civil servants must render a minimum number of years of service to be eligible for retirement benefits. In Vietnam, the age of retirement differs between male and female civil servants. While male civil servants retire at 60, female civil servants retire at 55³¹. The standard daily working hours also varies. In Cambodia, Vietnam and the Philippines, civil servants are required to render eight hours of work per day, five days a week (from Monday to Friday), but civil servants in Thailand only have to accomplish 7 hours a day.

d) Salary

All civil services have a pay structure/wage scale on which they base the pay of the civil servants. The pay structure correspond to different factors, such as the salary grades indicated in their specific schemes, job classifications, current levels/rank of the civil servant in the pay structure. In Indonesia and Vietnam, seniority is also a consideration. In the Philippines, the Constitution mandates the standardisation of compensation for the public sector. The range of salaries is provided under the Salary Standardisation Law or Republic Act 6758 which implements the constitutional provision.

With the exception of Singapore, salaries in the civil service are generally lower than the private sector. However, aside from their base salary, civil servants also receive allowances, which depend, not only on their level of pay structure, but on the function of their job as well. Aside from the basic salaries indicated in their financial structure, civil servants enjoy supplementary allowances—such as family support allowances, educational allowance (for teachers in Cambodia), structural and functional allowance (in Indonesia), overtime pay, and specific allowances for those in the managerial and different fields of specialisation. In the Philippines and Thailand, employees are also entitled to representation and transportation allowances when travelling. In addition, in the Philippines, Singapore and Thailand, the employees also receive non-financial benefits such as leave benefits (vacation, sick/medical leave, maternity and study leaves). In Thailand, civil servants may also avail themselves of religious and military leave. In most countries, civil servants also receive health insurance, disability and housing loan benefits.

Countries like Lao PDR and Vietnam practice an egalitarian pay structure where the differences between the lowest and highest paid is very small. For example, in Lao, “the salary structure for government civil servants is not closely tied to performance or distinction as to the ‘worth of the job’, and without a well developed job classification system and job description it is very difficult to compare civil service positions with “comparable” private sector jobs”³². This is also the case in Vietnam³³.

e) Performance and Competence

As improving the effectiveness of civil servants remains a concern in most civil services, encouraging better performance continues to be a key reform feature in most countries. Many countries have incentive schemes such as performance related pay. For example, in Singapore, 25% of the pay of top civil servants and ministers are linked to the performance of the Singapore gross domestic product. For 2008, the performance bonus pay out ranged from 6 to 10 months for ministers (MR4) and 0 to 8.5 months for top civil servants (SR9). However, as the Singapore civil service practise a flexible salary scheme where pay can go down as well as up, the pay for these top grades are expected to fall 12 to 19 per cent in 2009 as a result of the recession³⁴.

The success of a performance bonus system is critically dependent on the credibility of the performance appraisal system. If the system is not fair, transparent and based on merit a performance related pay system would quickly fail. There are many ways in which staff performance appraisal are carried out. For example, the Philippine and Thai governments undertake semi-annual performance evaluation of their employees based on specified standards. Both make use of the quality and quantity of the employees' outputs as a measure of performance. Performance is measured vis-à-vis the targets set at the beginning of the year in accordance with rules and regulations prescribed by the personnel management agencies.

Vietnam, like China, has recently introduced performance appraisal, however, in the absence of competencies and job related targets there are difficulties in setting a proper mechanism to conduct it. In Malaysia the Competency Based Human Resource Management Framework brings together recruitment, selection, reward, career development, training and performance management into one integrated HR system. It provides the foundation for staff appraisal to determine salary progression and job promotions. The competency framework makes clear what performance behaviours staff needs to demonstrate to be rewarded, thereby providing a better basis for career and succession planning. Thailand too has recently established a comprehensive competency framework to manage and develop its civil service.

f) Human Resource Development

All civil services place a high priority on developing the capacity of their civil servants. Since the civil service law was enacted in 1995, the Russian Federal Government has concentrated enormous efforts on HRD policies, particularly of training of civil servant. The definition of training was provided in the order (ukaz) No. 983 of the President of the Russian Federation of 2 September 1997 on "Complete methods for the training of State servants" including the professional continuous education, upgrading of qualifications and training overseas³⁵. With the establishment of the China's National School of Administration in 1998 and subsequently the rationalisation of training schools in each city and province, Chinese civil servants have been exposed to numerous types of training to improve performance. An element of competition was also introduced as beside state established civil servant training institutions, governmental organizations can also contract civil servant training from other training institutions as required.

In the Philippines, the major policies on HRD include: (i) One HRD intervention per employee per year; (ii) Decentralisation of some HRD functions to head of agencies, i.e. the head of agency becomes responsible for some HRD decision points like training, scholarship, career development of employees; and (iii) Allocation of 5% of agency annual budget to HRD activities. The Thai Cabinet issued civil service training and development policy in 1996 including important considerations such as systematic and continuous training and development must be provided and training and development must be geared toward

equipping civil servants with up-to-date knowledge, skills and appropriate attitudes to effectively serve the people. In order to effectively implement this policy, the Civil Service Commission issued manuals detailing measures to be taken by the ministries and departments in preparing their own civil service development plans in accordance with the policy statement with budget from the government.

In Malaysia, training and development is closely related to the Competency Based Human Resource Management Framework. The aim is to reduce cost associated with random training and to focus training on those competencies that leverage most job improvement. The overall training framework guiding learning objectives, curriculum design and training delivery is based on Bloom's taxonomy of education objectives. For example, the managerial and professional group of civil servants are expected to achieve 6 levels of competency (knowledge, comprehension, application, analysis, synthesis and evaluation). Evaluation of the impact of training is based on Kirkpatrick's 4 levels of evaluation (reaction, learning, behaviour and results).

3.3 Reform Strategies

Generally, reforms in the civil services of most countries are in the direction of enabling socio-economic development, improving services to the public, encouraging citizens' participation and enhancing transparency and accountability. Although the success of many of the civil service reform programmes and strategies described below may be limited, nevertheless, they share many common characteristics and as Vietnam began its renovation rather late, there are great opportunities for the Vietnamese civil service to learn, adapt and adopt from ideas, success and failures of these countries.

For instance, in Russia, the civil service reform that started in 1998 and 1999, aimed to turn the civil service from "service to the sovereign" to a bona fide civil service. Detailed measures for administrative and civil service reforms included³⁶ a clearer differentiation in the status of career civil servants and of political appointees and the formulation of a government apparatus based on merit. This led to selection primarily on a competitive basis, promotion and retention of the most highly skilled, management on the basis of competence and assimilation of modern management technologies. Civil servants were made more accountable, while offering them legal protection against arbitrary and incompetent officials and the mass media. The cost of the civil service was streamlined and measures were taken to decrease the use of indirect incentives and "secret" perks.

The Chinese civil service, which consists of government departments, Party departments, State-owned non-profit units and government-led social associations, has a total of 105.3 million people³⁷. Initial reforms in the 1980s have concentrated on restructuring and rationalisation of functions. More recent reforms have focused on the personnel system, such as, institutionalising meritocracy into public personnel management to promote efficiency and alleviate the problem of secrecy and nepotism. The major dimensions of reforms are³⁸ the transition from cadre management to civil service system, i.e. a process of professionalism, administrative downsizing, retained the capable and compliance with job requirements. Staffing reform includes competitive examinations used to recruit civil servants with the right job-related knowledge, skills and educational level, as well as the adoption of performance appraisal.

There is greater emphasis on management according to law and accountability has been enhanced through the introduction of practices such as the "chief executive accountability system," "service delivery promise system" and "accountability investigation system" at various levels of governments. Transparency has also been increased through the establishment of a "national leadership task force for opening to the public administrative affairs", "opening to the public policies system", "information opening system" and "system of

government spokesmen". At the local level, administrative agencies are also testing more organisation and job specific staff appraisal systems. However, a key strategic constraint is the need to balance the pace of administrative reform, which is behind economic reform, and the need for social stability. Hence, reform has been and will continue to be implemented step by step within an overall goal. Although administrative reform of the past 20 years 'put tens of millions of Chinese people's interest at stake, and left several million people separated from their jobs, we have been able to maintain social and political stability, and ensured an orderly administrative reform'³⁹.

In the Philippines, for the past five years, reforms in the civil service have focused on innovation and enhancement of the career service examination system; institutionalisation of performance commitment system; attitude change through mainstreaming of gender and development concerns; and fighting corruption with integrity testing and lifestyle checks. In Thailand, a five-year strategic plan that started in 2003 aimed to improve the quality of public services, to right size government bureaucracy, to increase competencies of public sector employees and to ensure responsiveness to democratic governance through 7 major strategies⁴⁰, involving process re-engineering, restructuring the framework of administration of public organizations, reform of financial and budgetary systems, review of the human resource management and compensation systems, introducing new change management paradigms, culture and values, modernisation through e-government system development and enlisting public participation in the work of the government system.

An important point to note is that civil service reforms are usually carried out in phases, with certain mutually reinforcing themes and a driving mechanism, as illustrated in Box 4 below:

Box 4: Public Administration Reform in Malaysia⁴¹

The first phase of public administration reform began in Malaysia in 1966 with the aim of improving "the administrative system and achieve efficiency and administrative leadership in the public service to meet the needs of a dynamic and rapidly developing country". The key reform actions were the creation of Development Administration Unit (DAU) staffed by professional management analysts in the Prime Minister Department, improvement of the government in-service training and education system and the strengthening of the professional competence of the civil service. Reform activities were focused on 7 bureaucratic 'deadly sins' that slowed down economic development, especially in rural areas.

By the mid-70s, emerging needs began to eclipse the original mandate of the DAU. Therefore in 1977, during the second phase of reform, the Malaysian Administrative Modernization and Manpower Planning Unit (MAMPU) was established to drive reform by providing consultancy services, strengthening administrative capacity and coordinating human resource planning and development.

The third phase of reform began in the 1980s with the introduction of business management modalities, privatisation and an emphasis on the core values of quality, productivity, innovation, integrity, discipline, accountability and professionalism. A permanent committee called the Panel on Administrative Improvements to the Civil Service, chaired by the Chief Secretary to the Government, was established to generate ideas and identify concrete measures to bring about improvements in public administration.

In the 1990s, total quality management was adopted and MAMPU was assigned to promote and monitor the progress of Quality Control Circles at all levels, whilst the National Institute of Public Administration (INTAN) concentrated on training. A client charter was also introduced as a quality assurance for government services. There was also a focus on reforming counter services and the culture of counter service staff to become more responsive to the needs of the public.

An exception is Singapore, which does not appear to have a formalised programme of public administration reform⁴². Instead it has always emphasised the importance of performance of the public sector. Public complaints act as a spur to improvements as letters to the press complaining about service standards are scrutinised even by politicians, including the ministers. There is a continuous emphasis on the use of performance tools; high civil service salaries with rewards tied to the performance of the economy; scholarships to attract and retain the best brains at the civil service and most crucially a strong political will.

4. Strategic Reform Options and Directions

This section highlights the factors that would be critical when formulating the policies for the reform of the civil service in the next 10 years as well as the set of principles to underpin the development of reform policies, followed by a discussion on the approaches and reform paths to take.

4.1 Critical Success Factors

As the 2001-2010 PAR Master Programme comes to an end, there are many views as to how public administration reform should proceed and how the Vietnamese civil service should develop as Vietnam becomes a middle income country. Essentially, the reform framework for the next 10 years needs to set out the rationale for how civil servant management can transit from just providing “personnel administration” in a bureaucratic way to “human resource management”, where civil servants have the capacity and the practical management skills to enable Vietnam to develop sustainably in an increasingly competitive global environment. There are no easy answers however in our view the following factors are critical.

Firstly, civil service reforms involve complex social, cultural and political issues⁴³. This means that the development of civil service reform policies need to be based on a real analysis and recognition of the socio-political context and the desired pace of reform in order to determine what is realistic. It will be necessary to acknowledge the pre-eminent role of the Communist Party of Vietnam, as administrative reforms must be carried out on the basis of the party resolutions and principles and must have the desired outcome of furthering the development and legitimacy of the Party⁴⁴.

Secondly, it is necessary to be realistic about the time it will take to get significant results and to identify starting and sequencing issues, that is, what are the basic reforms that are needed to address initial situations, thereby laying a foundation for further reform efforts. It is also important to realise that modest and partial successes can provide the basis for later progress or gradually add up to a tipping point of change. The framework to guide civil service reform in Vietnam over the next years will need to combine both incremental and opportunistic improvements within an overall implementation strategy. Reform is needed but at an acceptable pace that does not create instability.

Thirdly, a successful civil service reform programme requires a vision big enough to disturb and re-frame how the status quo perceived its interests. The vision then needs to be supported by a coherent implementation strategy that defines measurable targets, identifies the critical paths, establishes a driving mechanism and provides good diagnostic and process tools to appraise and implement reform actions. It will also be necessary to address the conditions that will sustain reform efforts. This would involve strategies to address and remove resistance to reforms, as well as the need for balance between the development of reform policies and the capacity to implement. A policy no matter how well formulated will quickly lose credibility when it is implemented badly or very slowly.

4.2 Recommended Reform Principles

It is highly recommended that the Party and the Government of Vietnam consider using the principles of merit, performance and objectivity as the underpinning principles to form the civil service reform framework for the next 10 years. These three principles and how they might inform the further development of civil service reforms is further discussed below.

a) Principle of Merit

Perhaps the most important factor for an effective civil service is the merit principle, which means, 'The person most able to do the job gets the job'. A merit system based on non-discriminatory practice and equality of access to public office would promote neutrality and professionalism in a civil service and is more suited to a rights-based approach in civil service management. Without the merit principle, an organisation or institution would become inefficient and dysfunctional as the wrong or incompetent people are recruited, rewarded and promoted.

However, most countries would also practice a patronage system of political appointments, which allows the establishment of a cadre of loyal civil servants, especially the top senior civil servants, to deliver the policies of the ruling party. In the case of Vietnam the political patronage system is augmented by the dual systems of cadre and civil servant management by the Party and the Government. All civil servants are also encouraged to become party members and promotion, especially for middle ranking positions and upwards, would to a high degree be subjected to acceptable political credentials. A further complicating factor is the practice of 'buying posts', which is detrimental to the building of a meritorious civil service.

Given the political context in Vietnam it is highly unlikely that the Party controlled patronage system will change significantly in the foreseeable future. Hence, rather than attempt to radically transform the Vietnamese civil service into a merit based system a more realistic policy line for the medium term is to introduce checks and balances to limit the powers of individual party and government leaders over recruitments, rewards and promotions. A further step is to link the political patronage system to methods of merit selections; so that the most competent politically acceptable person gets the job.

In the longer term, the further strengthening of the principle of merit in the Vietnamese civil service would require the gradual introduction of the following⁴⁵:

- The principle of merit needs to be reinforced by gearing the whole administrative apparatus towards supporting merit. For example, open and fair recruitment process would only be successful if personnel officers, line managers and other leaders are familiar with preparing job descriptions and the development of criteria for evaluating candidates and trained in how to conduct and evaluate job candidates. In other words, the principle of merit needs to be built into all HRM systems and processes.
- The principle of merit needs to be underpinned through a transparent civil code or code of conduct that sets out the desired values and behaviour of civil servants, including what is not acceptable. The code of conduct must be deeply embedded into the organisation culture of the civil service and enforceable with clear disciplinary procedures. However, an independent appeals mechanism is needed to prevent abuse and allow appeals. This is further discussed below.
- The principle of merit needs to be defended through independent appeals mechanisms to oversee, scrutinise and prevent abuse. It will be necessary at some stage, if the Vietnamese civil service is to become merit based, to set up an independent commission, tribunal or body for individuals who feel that they have been unfairly treated to appeal or bring their grievances to.

b) Principle of Performance

The next most important criteria is the principle of performance because the role of government has changed considerably from bureaucratic application of regulations to developing enabling regulatory environments that encourage citizens' participation and

support equitable, sustainable economic growth. There is a focus on public service delivery and achieving results. However, this focus on delivery of results is only possible if the principle of merit is closely linked to performance management. In other words, the planning system within an institution, which sets goals, identifies outputs and allocates work, must be well connected to the human resource management system that ensures there is a contingent of capable staff to do the work.

The key critical point that connects the performance planning system and the human resource management system is the staff appraisal process. Three essential factors defining the staff appraisal process are:

- the competence required to do the job
- the performance outputs and indicators
- the annual targets

Competence defines the range of knowledge, skills and attitudes needed to deliver the job requirements of a particular post; whereas performance outputs and indicators define the work that needs to be done and the annual targets set the level of achievement. Together they underpin the staff appraisal process to identify training needs, rewards/discipline and promotion. They also provide the foundation for establishing job descriptions, which in turn provide the basis for recruitment, training and setting salary scales.

A performance oriented system is only credible if the principle of merit is not violated. For example, the staff appraisal system would have a negative impact on staff motivation if people feel others are being rewarded for non-merit reasons. Performance suffers when high standards of transparency, accountability and probity are not maintained.

c) Principle of Objectivity

Civil service reform efforts around the world have all tended to increase the de-politicisation of the civil service and stressed the ideal of not just a merit based but also a neutral civil service. This is to ensure that civil servants focus on the business of providing sound, objective advice to deliver the stated policy goals of a government rather than being involved in fighting ideological battles (whether intra or inter parties) to determine a party's manifesto and policies.

In almost all countries, the systems for managing staff in political parties are independent and separated from their civil service. The unique feature of Vietnam, and a small handful of countries, is that the personnel management system for the Party runs in parallel and is intertwined with the Government civil servant management system. This dual system has the benefit of giving the Party considerable control in ensuring its policies are effectively delivered. It also allows an individual to gain experience by being promoted through both party and government systems. However, a civil servant subject to dual subordination will often face tensions between the needs of the Party (political imperatives which can be highly dependent on the whims and behaviours of local leaders) and the requirements of the civil service for impartialness and technical competency.

There have been debates within both Government and Party whether there should be a separation of the two human resource management systems. However, given the reality that civil servants are obliged firstly to be faithful to the Party, followed by the Government and then the people any fundamental separation between the two systems would be difficult and will take a long time. In the meantime, as the civil service adopts more merit based and position based civil service practices some separation or at least

transparent clarification of roles between the 2 systems will be required. In the longer term, further reform steps could consider the separation of a Law on Public Officials from the current new Law on Public Officials and Civil Servants.

The need for checks and balances to limit the influence of individual party leaders on HRM processes, such as recruitment and promotion, has been mentioned in the above discussion on merit. In addition, some of the dysfunctions arising from dual subordination should be addressed. For example, although Party imperatives are pre-eminent and civil servants must comply with and execute the policies of the Party, for Vietnam to compete successfully for investments and develop effectively in the global environment, the need for sound, impartial, technical advice is also paramount. Hence, over time the principle of objectivity, neutrality and impartiality should take precedent. However, in the longer term, whether the Party and Government systems will become fully separated and independent of each other or whether the dual cadre/civil servant system evolves into a viable and effective civil service system remains to be seen.

4.3 Reform Approaches

There are several ways the reform framework and principles outlined above can be implemented. One approach would be to take the least change or incremental change scenario. The aim would be to gradually improve the efficiency and effectiveness of the system, possibly by incorporating some new public management elements without fundamentally changing the basic shape and structure of the existing bureaucratic system. The rationale for this approach is that a journey of a thousand miles begins with taking a first step and that a tipping point can be reached when change becomes inevitable. Proponents of this approach tend to emphasise small scale pilots, persuasion, training and re-training.

On the other hand, critics point out that the scale of change needed to overcome deep seated cultural resistance in order to move from a bureaucratic system to a performance oriented culture requires a fundamental re-engineering approach⁴⁶. A big change is needed to provide an initial shock that can begin to change the dynamics of how the system work and to re-frame the way civil servants begin to perceive their interests, which in turn opens the way for further change. Civil service reform in many countries began with the adoption of all or some aspects of the 'new public management'.

A fundamental shift from a bureaucratic system to the 'new public management' or 'rights based governance' would require radical change in the ethos underpinning the civil service and the way it works. For instance, the citizen-state relationship would change from being subservient to the state to entitlement for certain rights and services. Civil servants would become accountable to the public or service users. The focus of administrative processes and criteria for success would change from just ensuring compliance to regulations to producing results efficiently and effectively and in protecting the rights of citizens.

From a policy perspective, the 2001-2010 PAR Master Programme did contain many elements of the new public management (such as restructuring, decentralisation and the adoption of modern management practices) and some elements of a rights based approach (for instance, the principles of 'people mastery' in supervising local government set out in the Grassroots Democracy decree). However, implementation has been based on the bureaucratic approach and successes have been patchy. Given the existing cadre/civil servant structure a full blown adoption of a radical approach that would fundamentally change the Vietnamese civil service in the 10 years would not be realistic.

Continuing along a conservative bureaucratic approach in the next 10 years could mean that civil service reform in Vietnam appears similar to the last 10 years, that is, slow

fragmentary progress here and there. However, it may be the only realistic way forward given the political reality in Vietnam. If this approach is adopted, its effectiveness can be enhanced if the direction of reform can be expressed in a merit based framework that identifies starting and sequencing issues, as well as sustaining conditions, within a broad timeline. This would provide a better rationale for enabling the gradual build up of the foundations or tipping points that can lead to further reforms.

4.4 Recommended Reform Paths

The key principle that the career based system Vietnamese civil service system should adopt from the position based system is ‘the right person with the right skills, qualification and experience do the right job’. If this is the case then the following reform paths, taken together in roughly the sequence presented, would over a period of 10 years provide a solid foundation for an effective Vietnamese civil service that is fit for purpose.

Firstly, introduce and promote merit and performance based principles and make this an overarching principle. Applying the principles of merit and performance would require structures and systems that align policy goals and targets to jobs, competency requirements, performance indicators and staff appraisal processes. To start, the merit principle needs to be clearly articulated and a mechanism to protect the merit principle need to be installed. It will be necessary to have independent system of performance audits to provide assurance that minimum standards are met.

Secondly, develop a national civil servant competency framework to provide the foundation for a merit based modern civil servant management practice and performance management. The national competency framework should also set out the competency levels for progression up the hierarchy to provide a clear path for career development, promotion and training. The current practice of performance appraisal needs to be linked into the competency framework and appraisal practices need to be developed for specific work settings rather than applying a single procedure for the whole civil service.

Thirdly, continue to develop relevant policies and practices for right-sizing and managing specific groups such as those working for the Party and socio-political organizations, administrative servants and those who work for service delivery agencies and managers of SOEs. The dual subordination issue needs to be addressed with clearer and transparent differentiation between Party ‘oversight’ and Government ‘execution’. One possible way to deal with this issue could be to pass a separate law on cadres in the future.

Fourthly, enhance the capacity in policy formulation and implementation and improve the oversight of civil servant management and development. Besides strengthening MOHA to undertake both roles another option is to establish an independent body for the oversight function of monitoring, evaluation and safeguarding the merit principle. Ideally, this body should be directly under the Prime Minister or chaired by the Prime Minister. Members of the body could include those who have been involved in the process of making policy for civil servant management and external expertise such as academic scholars of research institutions and universities.

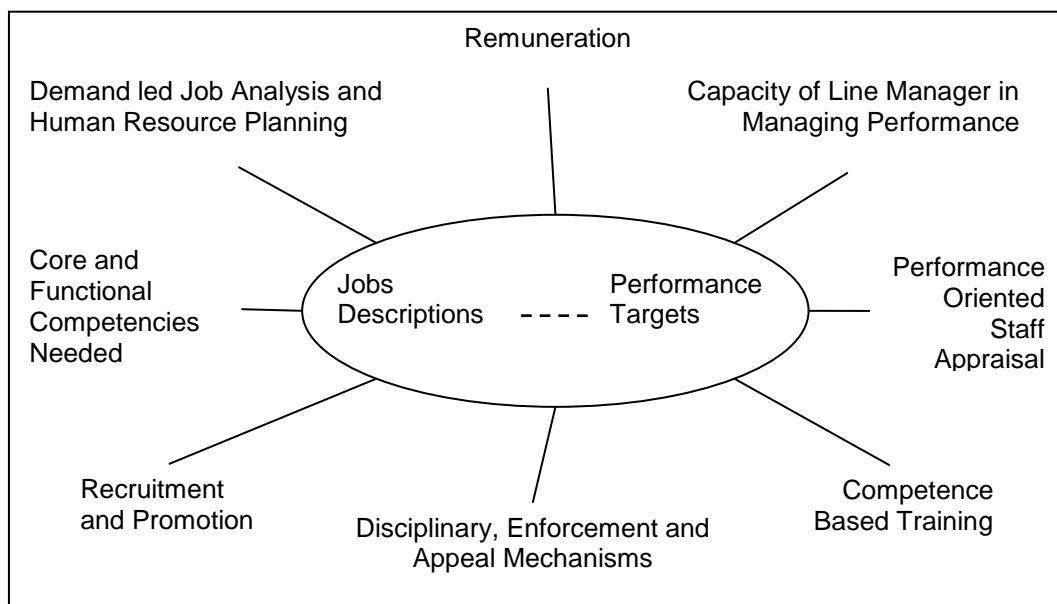
Fifthly, make use of key tools in a merit and positioned based civil service system including job evaluation, job descriptions and performance appraisal as a basis for recruitment, promotion, training and development and remuneration reform. Proper deployment of these performance tools would provide a more transparent and objective staff appraisal system, thus creating conditions that would encourage higher motivation for the civil servants and reducing opportunities for malpractice and abuse.

Sixthly, introduce competition into civil service training, especially in competence based training, by opening up to private service providers. Government agencies should be encouraged to procure the best training services from both internal and external service providers.

In terms of human resource management practice, adopting the reform paths above would lead to the systematic implementation of the following concrete reforms actions:-

- Change human resource planning from standardised formulas to meeting the demands of actual job requirements.
- Develop system of competencies, job analysis and job descriptions.
- Change recruitment criteria from general grade standards and general qualifications to more specific job requirements
- Change promotion/advancement criteria from seniority to competency and performance
- Change focus of performance appraisal from compliance with rules and regulations to work results.
- Provide better remuneration and other incentive to encourage better performance and retention of capable staff.
- Change the focus of training from meeting grade criteria to improving job performance.
- Strengthen the role and capacity of the line manager in human resource management practice.
- Provide training in modern human resource management for those who are working in the area of personnel management in government agencies.
- Strengthen disciplinary and enforcement procedures, as well as appeal mechanisms.

Amongst the range of concrete actions listed above perhaps the 2 most critical reform items is the institutionalisation of jobs descriptions as the basis for staff employment and performance targets as the basis for staff appraisal. Together they provide the foundation for developing all the other human resource functions as illustrated in the diagram below.



Writing good jobs descriptions would require demand led job analysis and human resource planning, resulting in the definition of core and functional competencies that are appropriate to a job. A well specified job description will provide a good basis for selecting suitable candidates in recruitment and promotion. It will also when combined with performance targets provide the basis for a performance oriented staff appraisal system. The role and capacity of the line manager, not only in assessing performance, but more importantly in managing performance is another crucial element.

It is very important to realise that reforming the management of human resources in a civil service requires an integrated, systematic approach. It is not enough to change a bit here and there as reform in one area can only be effective when all related human resource areas are taken into account.

4.5 Conclusion and Next Steps

Many of the reform policies and actions discussed in this paper can be found in Party resolutions and are extensions of reforms already being carried out in the 2001-2010 PAR Master Plan. Many of them can also be seen in the new Law on Public Officials and Civil Servants. The key point that this paper is making is that the programmes for civil service reform for 2011-2020 is based on an integrated human resource management and development framework that is underpinned by the principles of merit, performance and objectivity. Getting the staff appraisal system right and making it effective in assessing actual performance is a critical step. However, effective staff appraisal is in turn dependent on having properly specified jobs descriptions, as together they provide the foundations for all the other human resource functions in a merit based system.

An interesting point to note is that as employees in public service delivery agencies will be managed under another law, it may be necessary to consider civil service reform and public service reform separately. Although many of the issues around the application of merit, performance and objectivity are similar public services are generally more exposed to public scrutiny compared to the administrative civil service. Hence the demand for effective services, transparency and accountability will be more acute in public service agencies. The separation of public services from state management can therefore open up opportunities for more flexible, demand led human resource management and development systems.

The next step if the ideas proposed in this paper are accepted is a systematic review of the capacity required to develop the reform programmes, coordinate implementation and monitor the results. Currently, there is little capacity at both central and local levels to effectively support the systematic implementation of civil service reforms. The review will need to identify how this capacity can be established and supported, who will be responsible, when it is going to be done and what resources are needed. In particular, the role of government training academies, provincial political schools, universities and private training agencies in disseminating information and building capacity should be considered.

Another key step to take is to identify and carry out a programme of pilots in both civil service and public service agencies that together will provide a body of experience and evidence to develop a systematic national human resource management and development framework, as well as guidelines for ministries and localities to implement. Such a programme would require considerable commitment of resources over a period of at least 3 years.

Lastly, civil service reform should not be addressed in a vacuum. The effort should be closely coordinated with other aspects of public administration reform in the country including institutional, organisational and public finance as well as the fight against corruption. Again, one needs to see these reforms in a wider picture of on-going state and political system reforms (including the National Assembly, the Government, the People's Court and Procuracy) that started with the Doi Moi renovation process, developed over the past two decades and will continue in the years to come.

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ANNEX 1: Possible Implications of the Law 22/2008/QH12 on Public Officials and Civil Servants

The table below provides an analysis of some of the possible implications of the new Law No. 22/2008/QH12 on Public Officials and Civil Servant on common civil service reform features.

Reform Features	The New Law on Public Officials and Civil Servants	
	Implications	Wider Issues
Scope of the civil service	Reduced, as the new civil service law exclude most of those who work for public service delivery agencies such as hospitals and schools. Only top managers of these agencies are classified as civil servants.	A separate law on public servants is required. What are the practical implications for human resource management when top leaders and the staff they manage are subject to different codes?
Structure of the civil service	The new law differentiates cadre, civil servants and commune servants. Regarding grades and position the new Law consolidates what have previously been in legal regulations. The Law mentions the term “personnel structure of the organization/agency [co cau cong chuc cua co quan, don vi]”.	Different regulations to be developed for corresponding groups. Further rationalisation of the civil service structure will be needed if more position based elements are adopted.
Obligations of public officials and civil servants	Obligations are emphasised and articulated in greater details. Additional obligations are clarified for civil servants who have managerial and leadership positions.	These obligations need to be operationalised to create a behaviour framework for civil servants in terms of competences, values, code of conduct etc
Recruitment	Compared with the Ordinance of Civil Servant, the new law provides principles of recruitment such as transparency, subjectivity, effectiveness and equality, i.e., appointing qualified people by competitive selection methods.	The exclusion of those working in the public service delivery could pave the way for contract employment and other private sector human resource management practices. The new Law could encourage more local practise that does not strictly follow centralised regulations.
Salary and Compensation	Link compensation to performance, for example, pay increases for the best performers.	There is a move away from the universal salary scales, for example, the recent introduction of a new salary scale for managers of SOEs and HCM City paying its employees some supplementary allowances to partly compensate

Reform Features	The New Law on Public Officials and Civil Servants	
	Implications	Wider Issues
		for high inflation.
Promotion	Promotion up the grades is based on examinations in a career system.	Moving towards a position based system will require even greater open and competitive approaches to promotion.
Training and learning	No clear signal of breaking away from the existing way of planning, managing and delivering training.	In-service training will need to change its focus to developing skills and competences and be demand led.
Performance management and assessment	More attention to performance appraisal and accountability. Look for better ways for performance appraisal.	Effective performance appraisal will require the systematic introduction of job descriptions and performance indicators.
Competence and merit	The law mentions “nang luc” several times. Competence is normally translated as “nang luc”. But in Vietnamese, nang luc can be understood differently and not necessary means knowledge + skills + attitudes. Although ‘merit’ is mentioned it is not prominent and central to the ethos of the civil service.	The Law provides some beginning steps that can lead to merit becoming a key underpinning foundation of the Vietnamese civil service. A comprehensive system of competencies should be developed sooner rather than later.
Gender and Affirmative Action	More attention to gender issues.	To ensure fairness affirmative action practice should sit in a merit context.
Separation of party and administration	The distinction between public officials [party and socio-political organizations] and civil servants may suggest the beginning of a separation between the two systems.	There are indications of some possible release of the Party’s control over personnel matter in the future, for example, in the case of open recruitment for CEOs of SOEs and the proposal for direct voting to select commune chairs.

Endnotes

- ¹ List of interviewees include: Mr. Jairo Acuña-Alfaro, Policy Advisor Public Administration Reform, UNDP; Mr. Pan Suk Kim, Director, Institute for Regional Studies and Development, Yonsei University; Mr. Đào Việt Dũng, Programme Officer, Economist, ADB; Mr. Vũ Việt Thịnh, Director International Cooperation, MoHA; Mr. H Hoàng Thị Việt Hòa, Director, ADB Loan Programme PMU, MoHA; Mr. Trần Anh Tuấn, Vice-Director, Department of Civil Servants, MoHA; Mr. Vũ Anh Xuân, Vice-Director of Training Department, MoHA; Mr. Nguyễn Kim Huệ, Expert, MoHA; Mr. Võ Kim Sơn, Dean, National Academy of Public Administration; Mr. Nguyễn Đăng Thành, Vice-President, Ho Chi Minh National Academy; Mr. David Koh, research fellow, Institute of Southeast Asian Studies, Singapore; Mr. Nguyễn Xuân Sơn, Director of Cadre Training and Retraining, Party's Commission on Organization and Personnel; Mr. Vũ Sơn Hải, Head of PAR Division, Mr. Phạm Nam Hồng, Vice-head, Mr. Phan Bình Minh, Vice-Head and Mr. Nguyen Van Khánh, Expert, DoHA Lao Cai Province; Mr. Nguyễn Mạnh Hùng, Head of PAR Division and Mr. Trần Quốc Khánh, Expert, DoHA Dien Bien Province, and Mr. Nguyễn Văn Sự Director, DoHA Dak Lak Province.
- ² From interviews with government officials
- ³ Law on Cadre and Civil Servants passed by the National Assembly and going into effect on 1st January, 2010.
- ⁴ The term 'can bộ' are translated as 'public officials' or 'cadre'
- ⁵ Data taken from "Regulatory Impact Assessment (RIA) report of the draft civil service law", jointly done by MOHA, ADB and VNCI.
- ⁶ The PAR Master Programme (2001-2010) Decision No 136/QĐ-TTg, September 17th 2001
- ⁷ Nguyen Trong Dieu (Ed.) (2005), p: 59.
- ⁸ Resolution 10/2003/ND-CP
- ⁹ From interviews with government officials
- ¹⁰ See the Mid-term review of the PAR Master Plan by the Government's PAR Steering Committee, April, 2006.
- ¹¹ From interviews with government officials
- ¹² From interviews with government officials
- ¹³ For example, the fraud scandal in September 2006 led to a unit head being removed from her position. (Source: "Thoi chuc truong phong vu tieu cuc tai Bo giao duc" www.xaluan.com.vn on 29 June, 2006). Another example is the scandal in Bac Kan where the results of the recruitment exam were modified. Dozens of candidates having connection with government officials had higher marks while other candidates had lower marks. (Source: "Thi cong chuc: Ha diem con dan, nang diem chau quan" www.dantri.com.vn on 20 May, 2005).
- ¹⁴ RIA report, 2008
- ¹⁵ Nam Xuan, Nghe An thua hon 3,400 giao vien (Nghe An more than 3,400 redundant teachers), www.dantri.com.vn, 11 August, 2006
- ¹⁶ For example: (1)the PAR Facility in the Ministry of Home Affairs piloted job analysis in Bac Ninh, Nam Dinh and Thai Binh provinces (UNDP Project VIE) and (2) The Danida support project for NAPA 2002-2006.
- ¹⁷ Assessment of Public Administration Reform and Measures for strengthening Public Administration Reform in Vietnam, Monograph edited by Prof. Dr. Dao Tri Uc, The Institute for State and Law, Vietnam National Institute for Social Sciences, 2007.

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- 20 The Government planned to increase minimum salary in January, 2009 but due to budget shortage this will be postponed to April, 2009.
- 21 Princeton University, 2009
- 22 Decision 11/1998/ QD-BTCCP - The 8 broad criteria are compliance with state's law and policies, work results, compliance with work and organisation regulations, cooperation at work, truthfulness, ethics, attitude towards learning and attitude towards serving people.
- 23 RIA report, 2008
- 24 Interview made in August 2008
- 25 Crema, Giovanni (Rapporteur) (2003).
- 26 See UNDP Public Administration Reform Practice Note
- 27 Adapted from Richard Lucking (2003).
- 28 Neil Parison, p: 4
- 29 Pan Suk Kim, 2008
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- 33 See also Nguyen Khac Hung (2006) for more details.
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- 42 Janet Tay, 2005.
- 43 World Bank, 2008
- 44 Resolution 17, 2007 states that the Party wants to '*make the system of state agencies function efficiently in line with the socialist oriented market economy regulations and global economic integration (and) better meet the requirement of rapid and sustainable development of the country*'. It aims to achieve its reform policies by building a contingent of cadres, civil servants and public servants to have '*good political attitude, professional capacity and responsibility to dedicatedly serving people*', as well as '*promote democracy in social life; mobilize and use effectively resources and increased participation of every citizen in the process of the country development*'.
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- 46 Alex Matheson, 2000