



The United Nations Development Programme Viet Nam

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

**Government Organization Structure
and Excellent Public Services:
The case of Viet Nam and some
recommendations for change**

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The series of *Policy Discussion Papers on Public Administration Reform and Anti-Corruption* is lead and edited by Jairo Acuña-Alfaro, Policy Advisor on Public Administration Reform and Anti-Corruption at UNDP Viet Nam.

The series aims to analyze trends in Viet Nam regarding the implementation processes and options in specific public administration reform areas. In order to confront the social, economic, political and environmental challenges facing Viet Nam, policy makers need to be informed by evidence. These policy papers aim to contribute to current policy debate by providing discussion inputs on policy reforms – thereby helping to improve Viet Nam's development efforts.

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Executive summary

In the modern era the mark of a good government has always been how well it procures common or public welfare for its people. Governments of all ideological persuasions claim their systems are better in this pursuit than others, especially their opposition. Obviously what separate the pretenders from the achievers are economic and social development, and the standard of living that the people enjoy. Consequently, **excellent public service is a signpost of good government because public service impact on daily livelihoods.** The standards of public service delivery are a good indication of how well a system of public administration has secured common welfare.

This policy discussion paper examines how the government in Viet Nam has been restructuring and reorganizing itself to promote better public services. It seeks to understand recent results, but more importantly, to propose a few clusters of recommendations for excellent public services with concomitant changes in government structure and organization.

In terms of government structure reforms for better public services provision, this policy discussion paper recommends that regulatory authorities be established strongly in different areas of public service provision. These regulatory authorities shall act as keepers of policies established by the ministries, and standard bearer for the services to be provided by different government agencies. Such authorities would be accountable to the ministries but given strong and autonomous powers for implementation of policies and enforcement to upkeep standards. In the process of doing these things, the regulatory authorities would come to possess the capacity to feedback, adjust, and to transform policies on public service provision wherever necessary.

Yet, the recommendation of only one type of regulatory authority for all public services is not the intention here. In the area of education and labour, public housing for the urban poor, municipal issues and living standards and productivity in the rural areas, centralised and huge agencies that promote excellence are recommended for the sake of efficiency and effectiveness in implementing visions of the central government. Last but not least is the recommendation for the government to instil a culture of seeking excellence in public service provision, and establishing a new department to be the catalyst in this goal.

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Introduction

Excellent public service is neither an impossible dream nor a reality that can only be afforded by rich countries. Given adequate resources, proper structures and organization, fused together and operated by a worthy mission, bureaucracies of developing countries and their partners can deliver excellent public services. In a system that has gotten used to state-centric views, a civil service culture geared towards excellence in public service provision – placing the people at the centre of policy designs – will take decades to develop. Towards this end the structure of a government can impede or facilitate the development of this culture. Consequently the structure of the government requires constant reform to focus energies on the task of excellence in public service provision. That is possible and good if the tasks are delegated to specialized agencies that would be given adequate powers to do the job, and mechanisms exist to assess the work of these agencies.

The objective of this policy discussion paper is to **analyze how the organizational structure of Vietnamese government has been reformed and how it is contributing to better public services**. It will also propose some measures to reform this structure for excellent public services. This policy discussion paper will examine Vietnamese views of the structure of their government. A series of interviews and meetings were also held with Vietnamese officials, and the writings of a few of these interviewees and others were also consulted.¹

The structure of this paper is kept simple. Part one will seek to understand the process and the rationale for PAR reforms in general and changes in the structure of government in particular. It will also seek to understand the reasons for reforms to public services provision. Part Two will make an assessment of the present situation of government structure and public services provision in Viet Nam. Part Three will contain five clusters of recommendations on the areas of public service that could see improvement, and how some government structures might be tweaked to achieve them.

In particular, the first cluster recommends establishment of regulatory authorities for overseeing provision of public services, and these regulatory authorities would also ensure a balance between competing needs of competition and social equity, especially where basic public services involving necessities are concerned. Following this line of reasoning, a second cluster recommends the establishment of a new agency within the Office of the Government that will lead in structuring and mandating ways and means to install, sustain, and reward excellence in public service provision. Another cluster focuses on the rural areas, where approximately 70% of the population lives and where urbanization and global competition might hollow it out. We recommend important measures on land management and other public services for the rural areas to prevent political discontent from festering in the rural areas. The next two clusters focus on municipal management, public housing for the urban poor, and education and labour training issues.

1. PAR: Rationale for past changes and the next step

Effectiveness of governance requires that the government constantly reviews its own work, including how its various departments are structured, organized, and operated; including the degree of fruitful coordination among its different agencies. Public administration reforms (PAR) is constantly required because of constant socio-economic changes in the wider society that public administration should serve or support. Long term economic growth is not sustainable without accompanying PAR. This is the key reason why international organizations spend much time observing and measuring governance of all countries. Globalization just makes this requirement much more urgent than a less connected world.

Public services that are much less than ideal may not be a problem that is peculiar to the socialist system, but it certainly hurts the political legitimacy of any political system and/or its government. In Viet Nam, heroes of public service provision can be found, but these are the few rare gems. There is an overwhelming number of reports and anecdotal evidence about the avarice and malignance of the bureaucracy basking in the glory of the power it exudes over the people, and the indifference and incompetence that have become its middle name. For instance, it is often noted by conventional wisdom in society that the police can be a friend as well as an enemy, an image that the police forces of other countries would take great pains to avoid. When people deal with the police and the bureaucracy in general, it means having to push envelopes to open up avenues of possibilities, many of which lie beyond the rule of law. A simple piece of administrative procedure that should require one visit to a government office often results in a multiple of trips and a long time delay to resolve matters. The idea of “public servant” risks becoming “the public is servant” to the whims and fancies of the bureaucrats, irrespective of the intention of Vietnamese political leaders in reforming the public administration system. The Vietnamese people have been tolerating and cursing a bureaucracy that is supposed to serve the people but instead exploits them to reap material rewards. Borrowing Martin Painter’s term, a “civil service culture”² that puts the welfare of the people, not just in terms of formulating broad policies but also in terms of the daily provision of public service, cries out to be reborn from the legacies of bureaucratic socialism in Viet Nam.

1.1. Slowing momentum of PAR in Viet Nam

After more than two decades of *Đổi Mới*, and almost one and a half decade of having an official PAR, there have been many changes to the way the Vietnamese public administration system works. Documentation of every step forward and any other step backward is not the objective of this paper, and a general assessment is sufficient. This can be obtained from written and orally-expressed views from society, from government and Vietnamese Communist Party officials, and from foreign and independent observers. The majority view is that Viet Nam needs to capture a new momentum in its PAR. In particular, the public administration system is still ridden with systemic corruption and red tape that adds on to the costs of transaction.³ It also could be seen that in general a credibility gap exists that reflects a differential between what top political leaders desire in terms of PAR and other reforms in general, and the capacity and willingness of the bureaucracy to deliver.

Contrary to the need for constant reform, the speed at which the public administration system is able to keep up with the wider socio-economic changes in Viet Nam is very disappointing in general, fairing better perhaps in the urban areas and at places where there have been strong policy champions (Bình Dương in the 1990s, and Đà Nẵng in recent years are good examples of change led by strong policy champions), and not doing so well in rural areas. Economic success in Viet Nam in the past 7 years, from 2000-2007, particularly in

2006-2007 that saw new peaks in FDI and in GDP per capita, and after the country overcame the 1997 Asian Financial Crisis, might have blunted even further the lack of urgency seen in PAR beginning in late 1990s.

A reasonable approach requires the government to identify constant and long term aims of the public administration system and the necessary elements of the public administration system to fit those needs. The process needs to start with a strong cognitive goal, an ideal, and a mission statement about the basic goal of its work, about what public administration is for and how it should work. In this vision, public or common welfare should be the ultimate goal that the bureaucracy tries to procure on behalf of their political masters. An excellent civil service holds the key to the extent of success at which a government can procure public welfare.

This paper therefore recommends the government adopting the attitude that public services provision can always be better and it must be in a mode of constant reform to try and better the system today. But who and for what purposes would “better” serve? In terms of public services provision, the goals should be a level of satisfaction on the part of the users of public services, which should be constantly gauged and detected and whose evaluation should be based on a collection of criteria, such as service excellence, affordability, and whether different sections of the population who have different needs are taken care of. Among the considerations to constant improvement of services would be the question of whether the model of provision and therein the structure of government is conducive to the success of that model. This would be the reason, from the point of view of the provision of excellent public services, why government structures should be examined, given that it is a part of the model of public service provision.

1.2. Basic principles for government structure and public service delivery standards

One question one could ask is: what is an ideal government structure for the effective delivery of public service? To consider this question, we should first consider what the nature of government structure is, and what demands different public services put on government structure.

Government Structure

Structures of governments vary across countries. Except for a few too tiny in size, most countries pursue the time-tested practice of structuring governments according to either functional or geographical principles, but mostly a combination of both. In the former, ministries are formed on the basis of specialization, whereby matters beyond general administration would require different skill sets specific to the area of specialization. This in turn requires different people who are specialists in those fields to be in charge of different ministries professionally. This functional division of labour exists in parallel with the geographical division of labour, but countries of smaller sizes or which subscribe more to the idea of centralization than decentralization would tend to emphasize division according to function over division according to geography. What this means is that ministries (or sometimes called departments) must exist regardless of the size of country, whereas geographical subdivisions vary in scale from place to place. Witness, for example, how a small country like Singapore can still have more than fifteen ministries, which is not much less than the number of ministries in Viet Nam, a country about 500 times bigger in size and 20 over times bigger in population. Except for one or two agencies, Singapore has no sub-departments or branches of ministries located in local areas because it is too small in physical size. The number of ministries, further, is also dependent on how the work is rationalized and divided. Rationalization and frugal approaches may organize various related functions under only one ministry, but otherwise they may belong to a few different ministries. For a government that operates completely in an urban setting, the number of ministries it requires is likely to be less than one that has rural aspects to take care of as well.

Where both geographical and function divisions of labour are necessary, the exact division of labour between the lower level ministry agents and the geographical head poses problems of turf battles⁴. A way out is often to delineate in basic political and legal documents the roles and powers of both, and to eradicate agency overlap when designing these roles and allocating these powers. Such division of labour containing a mixture of sources of power and authority may vary from function to function, but the key point is that such division of labour should be clearly spelled out in documents on this particular division of labour, so that no one is left in doubt in the end about who is responsible for which task. In emergency services, such as fire fighting or policing, clarity is absolutely essential.

In unitary states, each ministry may have its own branch offices in localities. These branches of ministries symbolize the unity of the state; they are solely responsible for work in their special areas and they may or may not be under the nominal supervision of the local authority. Plans of the specialized areas of work conform to the national planning process, which is done at the central level. The central authority is the source of appointments for most personnel at the branches that disregard to a certain extent the origin of the personnel in relation to the place of posting. Local authorities could also exist and could be elected independently of the ministries and the central government. Unitary states, however, would tend towards the principle of centralization. Non-unitary states, such as federations or confederations, tend to take the principle of autonomy and decentralization as the primary organizing ideal but slots in the role of the central government and its ministry through the exact delineation of roles and tasks. Some areas of work that represent the state, such as the military and foreign relations, do not lend themselves easily to the division of power according to geography, because of command and control reasons, and therefore would not have powers delegated or decentralized.

What have been described above, however, are basic principles of modern government structures, from which variations are aplenty. Viet Nam is one such variant, and will be elaborated upon later on in the paper. Generally there is a basic structure of government that most states adopt, by cutting up government functions into clear-cut pieces like a plate of pizza, and to let each department have a piece. The question thereafter, is how does one clean up the mess when there are clumps of melted cheeses and others like meat and bacon that cannot be cut so neatly by a pizza cutter. The knife of the organizer that structures the structure, therefore, must be sharp and should be able to leave nobody in doubt about the boundary of each cut piece.

The nature of Public Service

Public goods and services in their nature are distinguished from private services by the obligation on the part of the government or its appointed agents in giving access to these services to everyone, irrespective of class or status. Due to their nature as public goods, the private sector as a profit maximizing entity is unsuitable to be the only provider of public services. If it were left purely to the private sector, the poor may not be able to obtain the service, which leaves society hugely unequal and thus nullifies the role of the modern state. Sometimes these services are daily necessities of human survival, such as water and electricity in the cities. The second area of public service that has been provided by the state is the performing of necessary public administration tasks such as registration of birth and deaths, armed forces enlistment, registry of marriages, passport and identity card issuance, licenses, patents, permits for activities relating to public order, and the list goes on. Whatever the state deems essential to know, to manage, and to control, the state would have to require people to perform administrative tasks related to these areas. On the part of the people, they would wish to have these types of tasks minimized, or to be able to perform them with minimum hassle and costs.

With the switch to user-pay and outsourcing being in vogue, the line between public service and private service has become thinner than before. One good example is postal service, which in the earlier part of the 20th century is a public service provided by the state in most if not all countries. Banking services under socialism was a public service because all banks were owned by the state. Now that most banks in transitional countries are privately owned or are publicly owned through listing on the stock market, banking services have become private services. Yet, in an economy whereby financial services are matured, the availability of banking services to everyone has become so essential that governments like that of Singapore have found it necessary to cajole banks to provide as many kiosks and branches as possible, while at the same time mandating and enforcing competition among banks to give a commercial reason for such extensive services. Or take the matter of internet as the pivotal part of the knowledge economy. The Singaporean and Korean governments have taken the lead in laying out master plans for internet usage and to take the lead by persuading service providers to make access ready and cheap. Starting with services in the airports, Wifi internet services are available free of charge as a public service. In addition, special agencies are created to have full overview and powers over the masterplan and its implementation, and these agencies are placed outside ministries for flexibility and quick action.

A big question that is often asked is, when commercial entities are established by the government to provide public services on a user-pay principle (as part of the small government initiative) should these entities make profits, and how huge a size this should be allowed. In Singapore, services such as retail banking, postal services, public transport, and basic utilities have over time become detached from government ministries, from state provision, and have become private commercial entities. Many such commercial entities have become huge companies (some in monopolistic while others in oligopolistic business models) listed on the stock exchange with primary obligations to their shareholders. The government on the other hand has also strategically established regulatory authorities to oversee the activities of these companies and among other things consider if the prices being charged were too high, especially if the business model is oligopolistic. Generally, the Singaporean government has refrained from dictating prices to these commercial entities, and the government chooses to alleviate the burden of increased prices on the public using these services through monetary grants, but giving much more to needy households. The purpose of this is not to allow government intervention to distort the market prices, and economic efficiency. On the other hand, where possible the government also created competition among service providers by granting multiple licences to provide the same public services, and this helps to keep prices down. Obviously, the Singapore government's answer to the question of profits of such enterprises is, as far as possible, one of free market for production and distribution, and has the government giving people, rather than the company, direct subsidies. This formula, however, is not used across the board for all types of public services. There are in some cases where the government has intervened (but usually through regulatory authorities) to urge private entities in oligopolistic competition (such as banks) to cooperate in making widely available (and in fact banks subsidizing) key services such as automatic money withdrawal kiosks. In other words, the model of operations providing public services depends on the type of industry and the nature of the public services in question, relating to the ideal situation that the government sees for each arena of public services.

Public service delivery, therefore, has everything to do with the fundamental question of how best to organize the government to provide public services at the level of excellence? Given that socialist Viet Nam as a matter of political will is not likely to return to central planning bureaucratic socialism, but believe in a free market that should govern the distribution of resources, the basic principles of public service delivery should lie somewhere within those political and economic boundaries. They would and should manifest a balance between free market, use-pay principles, and the need to cater to market failures where social responsibility and obligation on the part of the state towards the disadvantaged must be emphasized and fulfilled. The best example is that of providing bus services to remote areas where a free market of competing bus companies would not be willing to cater to because of the route being

non-viable. The state has an obligation to see that such services are provided at a fee that is reasonable and no market failure should be allowed to disadvantage any member of the population. Furthermore, to ensure that service providers are on their toes, government departments must continuously monitor public service delivery. Plus, the public must be able to seek redress when private providers are unable to meet the expectations that have been set out by the government.

The shortcoming of government is a natural inertia within it that does not give its employees the incentive to do their best. All over the world, government salaries are typically low, or more important, could be below the level of cost of living. This encourages government employees to go into corruption, or to moonlight, and discourage them from dedicating themselves wholly and professionally to their work, let alone pursuing a vision of service to the people. Therefore, direct provision of public services by the state face the obstacle of inertia. On the other hand, the market comprising of mainly private firms would want to maximize profits and ignore the plight of those members of the public who have been disadvantaged for several reasons which may not be their fault, such as that of geography. There is an inherent need for the government to play the role of balancing the needs of the disadvantaged areas and those of the service providers, and the role of an enabler for the disadvantaged and the market.

Given these important obstacles, it is apparent that profit-maximizing private sector cannot be relied upon as the only entity to provide these services. Under the free market economy there is no legal or ideological basis for any government or state to order any company to provide these services at a loss, unless these are state companies, or a commercial entity is given a profitable contract to provide such public services, assuming economy of scale. The savings from the profitable areas could then be used to subsidize the rural areas.

Therefore, markets are usually a good but not always the better option than the government in the provision of public service. The key issue is really what form of production and distribution are best suited to the situation that is defined by the net assessment by the state based on two key variables: the political importance of provision, and the cost of provision, where the cost of provision by the state is compared to the cost of doing so in the private sector. One is encouraged, however, by the fact that in reality a mixture of approaches is available to any government.

In addition, creative solutions can also be thought of for rural areas or areas spanning a vast space, which makes it difficult to provide public services to every cluster of residential population individually. For instance, Australia is a continent and in many parts of its territory, public services such as basic medical care, veterinary services for farmers (for sheep rearing, an important industry) or fire fighting (bush fires) cannot be individually provided at a low cost to individual towns, which may number only a few tens. Such service providers therefore fly in (if much of the terrain is flat) at fixed schedules or on emergency. At other times when non-emergency services are needed, residents are supposed to be equipped with the basic knowledge to self-help. Advice or larger scale help could just be a phone call away. Conditions of good transport infrastructure are assumed in this case.

Given the myriad nature of public service provision, therefore, it is imperative that the government of the day design specific structures and institutions to ensure effective and efficient public service provision. Governments can and do go beyond the safe practice of organizing itself along functions or geography; but for efficiency and effectiveness, it may be time to go beyond ministries (functional) and people's committees (geographical) to evolve bodies that are specialized and focussed, and which would not be incapacitated by being a core part of the government and therefore subjected to the natural inertia in the government. Ministries and people's committees have too many rules that inhibit effectiveness and they are also too heavily loaded with too many portfolios, as super ministries are apt to suffer from.

2. What do government structure and public service mean in Viet Nam?

“Government” in the Vietnamese context means the executive tasked with the implementation of policy lines set down by the communist party, which are more or less codified in laws by the National Assembly. According to the Law on Organization of Government, the Prime Minister is elected by the National Assembly and shall submit to the National Assembly for ratification proposals on the appointment of deputy prime ministers, ministers and heads of the ministerial-level agencies. Based on resolutions of the National Assembly, the State President shall appoint the deputy prime ministers, ministers and heads of the ministerial-level agencies. The Prime Minister, deputy Prime Ministers and ministers and heads of ministerial-level agencies are thus part of the Government (*Chính Phủ*). There is a second meaning to “government” in Viet Nam. The Government also comprises the ministries because the ministers are heads of ministries. Therefore, the Government in the second meaning refers to the collection of the ministers and/or the entire government set up at the central level, excluding the local people’s councils and people’s committees. Thus, when local councils are discussed, usually the term “local government” or “local authority” is used (which is translated from *chính quyền địa phương*). What this means is that the term “government” is specifically used to refer to the executive at the central, ministerial level, rather than used to denote the entire, national system of state executives.

The discussion on what “government” and “local government” mean has important implications for locating the agents that are responsible for provision of public service. Between the government and the local government there is a division of labour. The Government (including ministries) makes the policies for the country and leaves the implementation and enforcement to the local governments at each level. Theoretically, the government is supposed to carry out the provision of public service. In practice, however, it is the local government, the local agents of the government, which had been or are delivering service to the public. Therefore, in terms of public service delivery in Viet Nam, while the central government makes policies by setting up the regime of public service delivery, in fact the delivery of these services are delegated to lower levels of administrative or governmental authority, which then establish their subordinate commercial entities to deliver public services. For instance, there is a waste collection company for every city or province. Or for the matter of electricity provision, while the EVN is responsible at the national level for the manufacture and wholesale of electricity, it is the local company in provinces that bring electricity to the households, and now charges them for it. Or take the matter of airport services. While not every province has an airport, airports in a region are grouped together and are managed as a group, but the services to be provided for each airport is given to the commercial entity of ground services of that airport. Essentially, there is a myriad mix of government authority and commercial entities of the central and local authorities that are delivering most of the public services in Viet Nam today.

In addition, although this is a minor point, “public services” in Viet Nam is often taken to be the umbrella term for two terms of services – the first has to do with the administrative tasks the state perform, and the second has to do with services in the provision of material needs. Examples of the first type include registration of births and deaths, and similar exercises that require people to fulfil administrative requirements of the state. Examples of the second type are the provision of water and electricity and other higher than basic services whereby the government sells the services directly or mandates commercial entities to do so.

2.1. Present assessments of government structure in Viet Nam

The structure of the central government in Viet Nam, given a relatively long history of state organization, had fattened up and leaned down over the years. Table 1 provides a snapshot for the number of government ministries and agencies throughout 1945-2011 (17 tenures of government). The number of ministries peaked during the tenures of 1976-1992. In terms of provincial authorities, the number of departments there was reduced from between 35-40 in the year 1986, to around 20-25 after 2001; rural districts from 20-25 to 10-15.⁵ From the late 1990s, the structure of government was further reshaped when the role of policy making of the government was differentiated from the everyday tasks of provision of administrative services and public services.⁶ The size of government, as seen through the number of ministries, was reduced further in an exercise in 2007, down to 22.

The intention behind reductions in the size of government since 1992 has been to reduce the scope of oversight of ministries over enterprises and entities that provide public services directly, so ministries and government agencies can concentrate on policy making. As such, enterprises or agencies that had the function of providing services directly to the public were either pushed out of ministries' direct control, or were reorganized so that they do not sit directly under the control of the minister and/or the ministry.⁷ (It is not clear to what extent this was done, however, and effectiveness of that with regards to public service delivery.) The latest reduction, in 2007, in the size of the government may or may not be the last, as there are still questions of whether the size of the government in terms of ministries can be further reduced. After all, there is a need to consider how oversized ministries can reduce effectiveness. Indeed, the next area of cuts may not come in the number of government ministries, but instead in deeper cuts to the number of employees directly or indirectly under government employment. According to Dr. Nguyễn Quang A, the government machinery is too huge for the functions that it is supposed to perform. Low salaries accompany the high head count and more important, effectiveness is severely lacking. His view, which is shared by many others, is that two-thirds of the current number that have proven to be ineffective in their work could be retrenched and the amount of money saved could be used to pay the remaining one-third who is supposed to be effective in their work. In this way, there would pay increases, and the effectiveness of the government could be raised by a few bars.⁸

In Viet Nam, therefore, what we have seen is the long term trend over the last twenty years of reduction in the number of ministries and agencies, and to rationalize functions so that fewer agencies can have the powers of meddling, but at the same time designating the responsibility for every area to one or fewer agencies. It remains difficult, however, to consider the effectiveness of these changes because of the lack of availability of detailed analysis.

Table 1: Government structure of Viet Nam

Government Term	Number of Ministries	Number of ministerial-level agencies	Total
Provisional government on September 2, 1945	12	0	12
The Provisional coalition government (established on January 1st, 1946)	13	0	13
The Resistance coalition government (established on March 2, 1946)	10	0	10
The new government (replacing the resistance coalition government, submitted by President Ho Chi Minh and adopted in the second session of the 1st National Assembly on November 3, 1946, and continued to be supplemented till 1955)	13	1	14
The Enlarged government (adopted in the 5th session of the 1st National Assembly on September 20, 1955 following President Ho Chi Minh's proposal, and continued to be supplemented till the 10th session of the 1st National Assembly on May 27, 1959)	18	2	20
The Government under the II nd National Assembly's tenure (1960-1964)	18	7	25
The Government under the III rd National Assembly's tenure (1964-1971)	23	10	33
The Government under the IV th National Assembly's tenure (1971-1975)	21	10	31
The Government under the V th National Assembly's tenure (1975-1976)	19	9	28
The Provisional revolutionary government of the republic of south Viet Nam (elected by the southern National Congress held from June 6 to 8, 1969)	8	0	8
The Government under the VI th National Assembly's tenure (1976-1981)	28	9	37
The Government (Ministries' council) under the VII th National Assembly tenure (1981-1987)	29	8	37
The Government (Ministries' council) under the VIII th National Assembly's tenure (1987-1992)	25	12	37
The Government under the IX th National Assembly's tenure (1992-1997)	21	7	28
The Government under the X th National Assembly's tenure (1997-2002)	17	8	25
The Government under the XI th National Assembly's tenure (2002-2007)	20	6	26
The Government under the XII th National Assembly's tenure (2007-2011)	18	4	22

Source: The Vietnamese Government 1945-2003, Facts and Figures, VNA Publishing House 2004; Resolution No. 01 of Parliament on 31 July 2007 about Organization Structure of the Government and Number of Vice Prime Ministers of the Government Term XII.

Nevertheless, the essential point is about the relationship between the structure of government and the quality of the operations of the government. The size and rationalization of structure of a government does not necessarily always lead to better quality operations in service of the public (through public services). Frugality can mean doing less and not doing enough to meet minimum standards, although there could be initial positive impact. The Vietnamese example is a fairly good demonstration of this. Changes there have been to the structure and to the size of government so that functions are rationalized, and ministries have become multi-tasking environments (see Table 2 for instance), moving away from one function-one ministry ways of the past. There have also been improvements in the quality of operations of the government, opening up access and reducing a tremendous amount of red tape over the years. But standards have been a different issue, which we will touch on later.

Table 2. Some key changes in government structure, from 1992 to now

From Term 1992-1997		To Term 1997-2002
+ Ministry of Energy + Ministry of Light Industry + Ministry of Heavy Industry	Ministry of Industry	Ministry of Industry
+ Ministry of Agriculture and Foodstuff Industry + Ministry of Forestry + Ministry of Water Resources	Ministry of Agriculture and Rural Development	Ministry of Agriculture and Rural Development
From Term 1997-2002		To Term 2002-2007
+ General Department for Land Administration + General Department for Hydrology and Meteorology + Viet Nam Agency for Environment (under the Ministry of Science, Technology and Environment) + Department for Geology and mining (under Ministry of Industry) + Unit responsible for water resources management of Department for Hydraulic Works and Water Resources Management (under the Ministry of Agriculture and Rural Development)		Ministry of Natural Resources and Environment
+ Committee on Personnel Organisation + National Academy of Public Administration		Ministry of Home Affairs
General Department for Post		Ministry of Post and Communications
+ Committee for Population and Family Planning + Committee for Child Protection		Committee for Population, Families and Children
+ Ministry of Finance + General Department of Customs + Government Pricing Committee		Ministry of Finance
+ Ministry of Communications and Transport + Department of Civil Aviation Vietnam		Ministry of Communications and Transport
From Term 2002-2007		To Term 2007-2011
+ Ministry of Culture and Information + General Department for Tourism + Committee for Sports + Unit in charge of families (Under Committee for Population, Families and Children)		Ministry of Culture, Sports and Tourism
+ Ministry of Agriculture and Rural Development + Ministry of Fisheries		Ministry of Agriculture and Rural Development
+ Ministry of Industry + Ministry of Trade		Ministry of Industry and Trade

From Term 2002-2007	To Term 2007-2011
+ Ministry of Health + Unit in charge of population (Under Committee for Population, Families and Children)	Ministry of Health
+ Ministry of Post and Communications + Unit in charge of information (under the Ministry of Culture and Information)	Ministry of Information and Communications
+ Ministry of Labour, Invalids and Social Affairs + Unit in charge of children (Under Committee for Population, Families and Children)	Ministry of Labour, Invalids and Social Affairs
+ Ministry of Home Affairs + Government Committee for Essential Affairs + Government Committee for Religions + Central Committee for Emulation and Rewarding	Ministry of Home Affairs
+ Ministry of Planning and Investment + General Statistics Office	Ministry of Planning and Investment

Source: The Vietnamese Government 1945-2003, Facts and Figures, VNA Publishing House 2004; Resolution No. 01 of Parliament on 31 July 2007 about Organization Structure of the Government and Number of Vice Prime Ministers of the Government Term XII; Resolution number 2/2002/QH11 dated 5 August 2002; <http://www.monre.gov.vn/monreNet/Default.aspx?tabid=201>; Decision number 113/2002/QĐ-TTg dated 4 September 2002; Decision number 121/2002/QĐ-TTg dated 19 September 2002; Decision number 122/2002/QĐ-TTg dated 19 September 2002; Decision number 123/2002/QĐ-TTg dated 19 September 2002; Resolution number 1/2007/QH12 dated 31 July 2007; Decree number 1/2007/NĐ-CP dated 4 January 2007; Decree number 8/2007/NĐ-CP dated 8 August 2007; Decree number 9/2007/NĐ-CP dated 8 August 2007; Decision number 1000/2007/QĐ-TTg dated 8 August 2007; Decision number 1001/2007/QĐ-TTg dated 8 August 2007

In terms of the government authority, elements of the unitary model form the fundamental of state and government structure in Viet Nam, within which a large amount of autonomy is given to local authority in not just over policies emanating from central ministries and pertaining to the local area, but also with regards to personnel appointment of key positions in the local administration. Viet Nam is not a federal model in practice but neither does its supposedly unitary model reserve enough power for the central level to always act according to its wishes. There are powers for central level to override the local level, but the process is cumbersome and usually not preferred due to an emphasis on consensus building. Thus, as have always been heard, the comments of “phép vua thua lệ làng” (the law of the king is secondary to the customs of the village) and “chính quyền địa phương là nhà nước nhỏ” (every local authority is a state in itself), and the principle of “Double Subordination” (in two ways: central and local, and party and government).

The positive changes in government structure have, however, gradually lost their momentum, stunting the ability of the system to self-generate further momentum or steps to be taken for next stage changes. The net status of how the bureaucracy performs is aptly summarized by this Vietnamese view: “From the angle of enthusiasm, the attitude of government departments and public officers at the moment, the public administration system has many manifestations of being distanced from the people, presenting difficulties more than creating conveniences and facilitating the people in exploiting their potential to the full. Many government departments and public officers still see themselves as above the people, giving favours, bullying, and troubling the people. After 15 years of reform, the lesson of looking upon people as the fundamentals ... has not been learnt well, and instead could have been partly forgotten.”⁹

In general the effectiveness or the lack of it on the part of the Vietnamese government can be attributed to several important logical, structural weaknesses that are the historical legacies of

old thinking of a previous era. In the first instance, the notion of political control by the communist party was well and good during times of war and revolution; the political commissar system delivered the final judgement on policies and directions, which were then carried out by the government or the executive. In peacetimes, such a system is made to fail because the lack of urgency, the lack of an overarching survival objective makes this system prone to influence peddling through the shadow system of party control. This criticism should not be seen as synonymous with a call to eradicate the party. Instead, it is a call to streamline and reduce the number of people who have political power to decide on policies, because multiple power centres make for poor policy making and implementation. Even at the highest level, the relationship between the Government and the Party is often understood to be that between a puppet (con rói) and its master, respectively. The government is often unable to be the final authority on governance issues, a point widely understood by many. This logically leads to insubordination within the government, or unwillingness to accept the authority of the government as final, while appeals are pushed through political channels.

In the second instance, due to the legacy of central planning, the government while it has recognised the need to strengthen the role of the market, is unable to completely shake off that legacy quickly. This can be explained by the presence of interest groups; yet the reality of multiple power centres lies at the heart of the effectiveness of interest groups and thus slow reform. State-owned enterprises for instance would prefer to stay state-owned because easy access to state funds is preferred over the discipline of the market, and it is not difficult for the enterprises to peddle their influences or to state their interest in the rhetoric of a role of the state in a socialist market economy. Ministries that have control over the biggest and most important enterprises (through personnel appointment), even if they have been corporatized, exudes tremendous influence and a big calling card in politics.

Third, the multiple power centre syndrome in Viet Nam is complemented by a bureaucratic culture of mistake avoidance while at the same time taking risks when there are significant material gains that could be realized. Allowing implementation to be delegated to lower levels of authorities, in this culture, has meant that local authorities take risks when there are attendant interests to be secured and very little danger of getting caught if they over-step the limits of their authority, and pass on the buck to upper levels when significant risks are attendant to decisions that legally they have sufficient authority to make. Government ministries and the Prime Minister in particular often find their directives to correct *ultra vires* action ignored, and spending too much time to decide on matters that rightly should have been decided by lower levels. No doubt the latter is compounded by the lack of trust in the good faith of local authorities. How the government could put in place a system that brings such problems to light quickly, and to address grievances of the people in lightning speed, is one of the priorities of the Vietnamese political system and the government.

Fourth, the misplacing of the sense of individual responsibility has been enhanced by the conflation of individual responsibility with collective responsibility. It is often difficult to remove someone from a position of decision making after a wrong or costly decision has been made. The reason is that decision making processes often involve too many stakeholders who are asked to give input and are given too much say; decisions often come out, especially in the style of official documents as bland self-contradictory because they often had to reflect every opinion that often contradicted each other. When the responsibility is being traced, it often led to a group for which no one would be taking responsibility, and leaders of ministries and agencies often lacked the power to dismiss incompetent people outright unless a clear wrong in the eyes of the law has been committed. Part of this problem could also be traced to a multiple of power centres, because personnel policy has also become an arena of politicking rather than dealt with simply on the two fundamental principles of integrity and competence of civil servants.

2.2. Public services provision in Viet Nam

In socialist countries, state provision of “public service directly reflected the relationship between the organs of authority of the state and the people.”¹⁰ In the past, public services were not only accessible, but also provided either free of charge, or at a price that was way below cost. A review of the reform process in public service provision in Viet Nam would show that the situation in the 1980s, when Đổi Mới began, was not far worse off than the present situation that Đạm described.

The circumstances of the 1980s demanded that the government unleashed the potential of societal production forces, reducing central planning and control. On the other hand, the shortage of government resources (given low tax revenue, low profits or losses by state enterprises) hampered provision of public services by the government, and the right to state provision of goods under socialism created huge expectations that were difficult to meet. It required the government to tap resources outside the government, and outside the state sector, to make sure that those services were still available. That was essentially the driving force behind “socialization” of public services that shifted the burden of paying for public services partly onto the shoulders of society, meaning the people. This “smaller state, bigger society” was part of the global trend that began in the 1970s (otherwise known as Thatcherism or Reaganomics) of reducing burdens on states and to gravitate towards emphasizing the user-pay principle for optimal operation and usage of national economic resources. Furthermore, people who can afford it can now opt for better services in a number of other areas such as public health, tertiary education (which one could argue was not a public service), and public transport. In fact, while on the surface public service in most areas remain slow and bureaucrats lackadaisical, better quality public service in reality can also come through the payment of bribes to speed up processes, or the payment of openly-stated higher set of fees for a speedier process in areas such as passport control or one-stop services in municipal authorities. Such practices go against the ideal of the rights of citizens because public services are supposed to be rendered on terms of equality regardless of class or status.

The rationale for this change has been the general assessment of the practice of bureaucratic socialism in Viet Nam, which now is basically seen as a mistake. This reassessment came about in the 1990s, because of a few “contradictions” that the Vietnamese government deemed as “irresolvable” and needed paradigmatic change. It used to be that the understanding of socialism was narrow and straightforward: socialist states must provide for its people. But this idea could not be met with shrinking reserves and limited ability of the government budget to pay. By the early 1990s, Viet Nam was embroiled in the Cambodian quagmire and was also spending lots of aid money from the Soviet Union on the war. It was not sustainable.¹¹ The difficult financial situation restricted the ability to provide excellent public services given the limited options in terms of hardware and human resources. From the late 1980s as well, the urban areas of Viet Nam in particular HCMC and Ha Noi were growing very quickly and its official number of residents was much lower than the actual numbers; new areas of self-help housing built by people themselves began to grow in the peri-urban areas. This increase in urban population and the consequent stress put on public services brought the situation to a breaking point, which had to be overcome by paradigmatic changes in the way the government had thought about public service provision. These realizations led to the Resolution in 1997 (NQ90/CP, 21 August 1997) to strongly pass over the provision of many public services to entities outside the state and to welcome private sector participation. The change in the Vietnamese thinking about public service provision has essentially moved from the state being the main provider to try and push public service provision out to entities outside the ministry. In other words, while government still retains overall responsibility, the daily business of providing the service has been pushed out of ministries so that officials of ministries do not have to bother themselves with the daily business of service provision. Ministry officials could then focus on policy making.¹²

In the Report on Public Administration Reform funded by the UNDP, published in 2000, the government of Viet Nam was assessed to have clearly differentiated between agencies that oversee administrative management for the government and agencies that provide public services. A change in the government structure took place when government departments ceased to provide public services and passed over most if not all of these services to corporate entities.¹³ According to Mr. Trần Việt Phương, a veteran who worked in the core of the government structure for many decades, the state is accountable to the people for the provision of all public services, but for effectiveness the state through the government should provide directly only some of these services that are basic to the public's needs. For the remaining types and non-basic needs in public services, the government could allow organizations that are non-state to provide them but continuing to monitor and enforce standards for these public services (because the state is accountable for the provision all public services). In addition, ministries have become larger in recognition of the many areas of overlapping responsibilities that needed a more holistic approach at the level of decision making. Consequently, the number of ministries has also been reduced.¹⁴ These reforms, however, appeared not to have been thoroughly carried out as the same report pointed. As a result, the lack of thoroughness has affected the effectiveness of policies by not detaching completely the function of policy making from the function of policy implementation and direct services provision.¹⁵

2.3. Present status of public service provision in Viet Nam

It is therefore unsurprising that the private sector has only been able to take over a small part of the public services previously provided by the state.¹⁶ What could be the reasons? Specific sectors, for example, still see a very strong role of the state in providing these services, but the strong role of the state in Viet Nam in these sectors would not be very different from the situation in other countries where the state needs to place emphasis on nation-building. In free market economies like that of Singapore, UK, or the USA, for instance, universal education is still partly or fully funded and directly provided by the state, and so is universal health care, although there are also private sector (profit-oriented) and social sector (non-profit oriented) options available. In other words, the limits of PAR in public service provision in Viet Nam are not necessarily larger than those seen in other countries, although the standards of services are a different issue when we examine individual sectors carefully. According to Le Chi Mai, however, the Vietnamese state is still directly providing public services in areas that should not be considered as public service because these services fail the test of definition.¹⁷

The government's own reports, however, see this state of affairs as a lack of movement or progress to the next level of reforms. In Report number 1 of the Government Steering Committee on PAR, which assessed Stage 1 of the PAR (2001-2005), it was noted that on the provision of public services (p. 9) the PAR has only successfully made a distinction in practice between state administration work and the work of units that provide public services. This point is shared by the 2000 UNDP Report referred to earlier. In the Steering Committee report, a forward-looking link between reforming government structure to provide excellent public services could not be found.

For detailed assessments, let us begin with PAR in administrative procedures. There have been significant improvements in the way the operations of the government machinery have been tweaked to try to make administrative procedures simpler. In particular, the power to issue permits in all areas have been delegated to authority boards that are subordinate bodies of ministries.¹⁸ There have also been efforts to try to provide one-stop services for each area of public services, to reduce trouble for people either to travel or to have to go to too many agencies. From a review of the procedures reformed, the customs services and immigration services have had very direct impact of the experience that people have with

PAR. These positive areas however have been more or less been accounted for by important drivers, such as the presence of foreigners or domestic policy champions, or the need for Viet Nam to comply with international obligations. The drive to enter the WTO and to comply with AFTA explains in a nutshell the successes seen in the customs area, for instance. Every year the government meets with the business community, of which the foreign presence is large, to try to iron out the problems of bureaucracy that businesses complain about year after year. Over the years, the substance of these complaints has hardly changed.

In the area of education of Viet Nam, while the country has taken giant steps in socialization of tertiary education, basic education of 12 years is still seen as a public service whose responsibility belonged to the state, what more in remote and poor areas where the private sector would not want to participate and education remains the most important tool for uplifting of minorities and the poor. In the schools system of Viet Nam, about two-thirds of schools are primary schools, and it has been the policy of the government to build a primary school in every commune, and at least one secondary school in every district (an administrative unit that is higher than the commune). Almost all expenditure required for such schools are paid for by the state, and this education budget is distributed to all local authorities for management. The budget for education has increased steadily every year. It was at around 10% in 1996, reaching 15.5% in the year 2000 and 20% in the year 2008 (see Table 3).

Table 3: Broad overview of students and budget in education, 2000-2008

	Items	2000	2005	2006	2007	2008
1	No. of student and pupil/thousand population	287	277	274	269	266
2	No. of student/10 thousands population	118	167	179	188	194
3	Share of students in public sector schools (%)	88.20	85.20	84.40	84.62	84.94
3.1	<i>Pre school</i>	47.22	41.79	42.73	43.63	48.86
3.2	<i>Primary</i>	99.72	99.55	99.46	99.42	99.40
3.3	<i>Basic</i>	96.82	98.20	98.59	98.83	98.91
3.4	<i>Secondary</i>	65.21	69.54	69.40	72.90	79.03
3.5	<i>Vocational</i>	70.70	73.80	71.17	70.71	63.35
3.6	<i>Secondary Vocation</i>	97.10	84.49	81.78	81.57	81.33
3.7	<i>Higher education</i>	88.64	88.43	87.13	88.22	88.40
4	Education budget/GDP (%)	4.1	5.1	5.6	5.5	5.6
5	Education budget/State budget (%)	15.5	17.9	18.4	19.0	20.0

(Source: Project of Ministry of Education and Training on Reform of Education Financing Mechanism (2009-2014), submitted by the Government to the Parliament, May 2009)

http://www.na.gov.vn/htx/Vietnamese/default.asp?sAction=DETAIL_DOC&intTypeID=1&intSessionID=194&intSitID=10&intCurrPage=1&descript=V%C4%83n%20ki%E1%BB%87n%20chung

This is still several percentage points lower than the annual government budget for education in Singapore.¹⁹ The Vietnamese government would probably have noticed this development: in the first budget of its second term, the government of Indonesian President Susilo Bambang Yudhoyono gave the largest share and topping 20% of its budget to education, which did not include salaries for the Ministry of Education.²⁰

Given the ever-increasing burden on the national budget, the government has been slowly encouraging the private sector to enter the education sector, even the primary school sector to help provide this public service. It should be noted that the reform of the education sector especially allowing the private sector to participate in service provision – opening schools – started as early as in 1986 although at that time such reforms were not informed by the wider movements elsewhere in the world of privatization of public service provision.

The net impact of this socialization, of putting out provision of public service to the private sector without abdicating the state's role has been encouraging, but the results are mixed. Over the last 15 years the number of schools as well as the number of students was increased, not just in the basic education sector, but also in the tertiary and skills training sector. The state continues to dominate provision in the primary and lower secondary schools sectors, while private provisions dominate the pre-school sector and provide up to 21% of higher second schools or 12% of all students (2008 figures). The share of public sector students in total number of students has been fairly constant in the last eight years (See Table 3).

These achievements in expanding sources of supply, however, also meant that there were not enough checks (due to the rush to meet market demands) on the quality of students and services, and in addition the fees were quite high and not meant for the poorer sectors of society. Many of these private schools were also concentrated in urban areas where the disposable income was higher. The major problem of private sector solutions in Viet Nam, especially in tertiary education at the moment, therefore, is **the lack of a regulatory voice** on the standards of services that are being provided by the private sector, which has led to numerous problems of substandard services and even outright fraud.²¹ On the other hand, the education services that are provided by foreign universities, especially reputed ones, are often in high demand. Education institutions and their former students also provide information on such services, and they provide the information on a non-profit basis.²² Such sharing of information within society should be encouraged.

In general, socialization as a means to delivering a smaller government and a less burden on the government has not raise the quality of the educational sector in general. In 2008 UNESCO ranked Viet Nam's education system as 79 among 129 countries ranked, and this was in fact a regression when compared to the time when the UNESCO began to monitor the EDI (Education Development Index) in 2004. Worse, EDI in Viet Nam during the period was overtaken by Indonesia, China, and Malaysia.²³

In terms of health services, the structure of public health services at the basic level in Viet Nam has the good intention of building a health station for every 7,000 people. As would be expected, there is also a system of state hospitals, with 30 at the central level, 196 provincial hospitals, and 576 district hospitals. Basic health care stations are found in all 9,920 communes of the country, and state enterprises and government agencies also have their health stations. Over the last twenty years of *Đổi Mới*, various indexes relating to public health have seen improvements, particularly life span, infant mortality, and gynaecological health. Even more impressive was the fact that health care was provided free, although the standard of service was low. Its un-sustainability led to the government collecting hospital fees, beginning in 1989. According to an estimate, government expenditure on health care in the year 2008 took up about 6.1% of government budget, and this amount could only pay for 40% of expenditure within the health sector.²⁴

In other words, 60% of all expenditure on health care is paid for by the people. Among those who can afford to pay for private sector provision, they are split when it comes to choosing between government provided and private sector provided services. As a positive point, this meant that privatization of health services as a public service has been able to reduce by half the burden that was on the shoulders of the government providers of healthcare.²⁵ The move to get everyone to buy medical insurance, however, has met with two road blocks. First is that given the liberal conditions of claims, the medical insurance fund went bankrupt in 2007 and 2008. This development undermined the scheme as a tool to bring the market mechanism into play, and also undermined the confidence of people in the ability of the scheme to pay. Second, to make medical insurance in its current form financially viable, not only must claims conditions be tightened, but premiums might have to go up, which would affect the ability of the poor to pay.²⁶ In particular, the medical care industry avariciously

drove up demand for medical services unnecessarily so as to claim insurance payments, which is understood to be one of the main reasons why the medical insurance system has gone bust.²⁷ On this score, the government has not been steadfast in checks and anticipation of possible problems in the field of medical insurance.

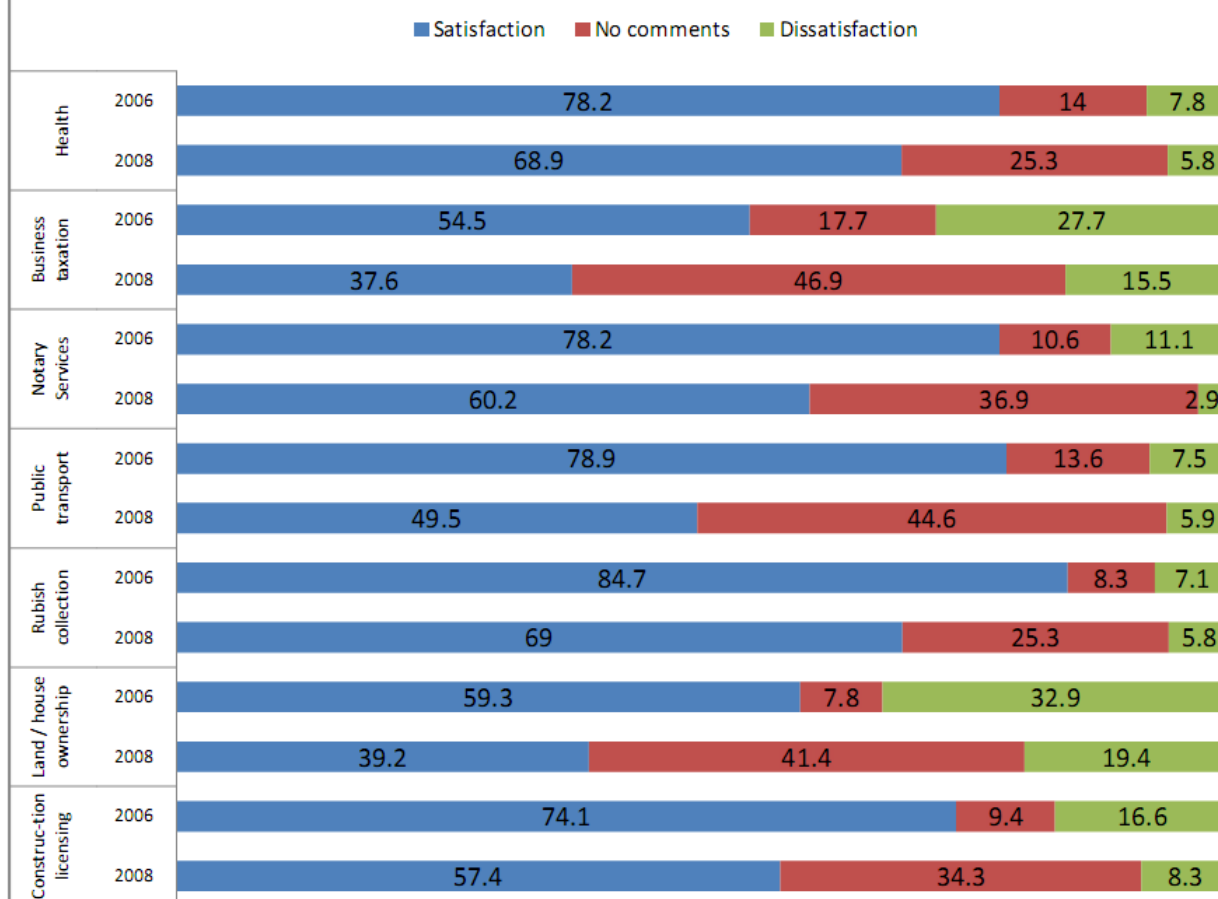
The same trend also seemed to have happened to transportation services, which had all been provided by the state. After provision by the private sector was allowed, the quantity and quality of such service improved, although there is still inadequate state supervision of the standard of services, which actually leaves much to be desired and often reek of profit maximization and lack of fairness to the users. Nevertheless, for transportation services there has been a large switch by users over to utilize services provided by the private sector, a switch that is larger than that in the health sector.

In short, the record of the Vietnamese state in the areas of roads, water services, drainage, and other essential services is at best mixed. While definite results have already been achieved, these public services are not provided at a quantum and quality that could outpace the rise in their demand; worse still, some of these services which should have been well taken care of when new cities and urban areas were planned and constructed, have come under severe strain. One noted for instance the extraordinary days of heavy rain led easily to heavy flooding that gripped Ha Noi in October 2008 and July 2009. In terms of drainage the older parts of Ha Noi city were much more able to handle the floods and spent less time partly submerged in water than the new urban areas of Ha Noi. At the same time, there are still many places in urban areas still do not have supplies of fresh and clean water.²⁸ The HCM Highway that has been partly completed is still seeing little traffic because of the longer distances and the lack of amenities along the highway, which suggests the lack of comprehensive planning and the policy on public services becoming the hostage to the sense of grandeur.

Another way to assess public services provision is to secure the views of the consumers of public services, the general public. Here, obtaining good and representative surveys is not easy, and in Viet Nam it is still a nascent industry. Unlike in more developed countries, polls of the public's views of the government's work is not carried out, let alone polls on the popularity of the government and politicians. Thus the Report on Satisfaction Indexes by the Institute for Research on Development (Viện Nghiên Cứu Phát Triển and Cục Thống kê) of HCM City has been a good start. The survey collected user's opinions and levels of satisfaction in seven key public service areas in 2008. The chief finding of the survey was a reduction in the level of satisfaction among the users of selected public services in HCM City, when compared to 2006. Among the seven areas surveyed, those of cadastral administration, health services, and public transport saw the largest decreases in satisfaction levels (see graph below). Another finding was that the percentage of people who were neutral or declined to provide comments on their level of satisfaction increased as well. What the survey clearly pointed to was the need to have better standards in public service provision, and that standards have not kept pace with expectations.

Given that the quality of public service delivery is still considered far from good, even though the government has reorganized its own structure and outsourced the delivery to commercial and private entities, it would appear that the key to raising the quality of public service delivery lies in two areas. The first is the need to raise standards of expectations on the part of the out-sourcing authority on service providers, and for the cultivation of the civil service culture so that bureaucrats see the norms of good service as a part of what they must achieve every day. It is with these two desired changes in mind that the following recommendations are made.

Graph 1. HCMC: Users satisfaction towards selected public services, 2006-2008



Source: Survey of public satisfaction with public services in HCMC 2006 and 2008. Table 5, page 6.

3. Recommendations

This section puts forward five clusters of recommendations for directions in PAR with regards to public service provision. The recommendations for change follow three general principles aimed to facilitate implementation.

The first principle is inspired by the building of customer-oriented cultures in the world of business. Any business that achieves a high level of satisfaction among customers retains their loyal support, and profits. On the other hand, who are the customers of a bureaucracy, which does not operate on monetary profit motives? Generally speaking it is the people in abstract terms, but in specific terms the customers of the bureaucracy are the common people who use public services everyday and every minute. Therefore the first principle of PAR in public service delivery must be to instil a culture and a mode of behaviour that takes the public's satisfaction as the ultimate measure of the effectiveness of the public administration machinery. This culture is sorely missing, at least in practice, from Viet Nam.

The second principle is that there is ultimately no best model in the delivery of public services that can be borrowed without filters for transplanting to Viet Nam. There are effective practices one can see everywhere for reference, and Viet Nam has been borrowing ideas from overseas to implement its PAR. Practices found in other countries are however often specifically designed according to unique conditions of time and circumstances pertaining to economic, political, and social environs. Borrowed ideas, therefore, should be filtered through the circumstances of Viet Nam. Local context, however, can also be used as an excuse for not reforming. As such, this principle, other things being equal, must be subordinate to the first principle of customer service.

The third principle concerns government structure reform. The reforms are not a linear process forever seeking to reduce the number of ministries. On the contrary, good public service may require the expansion of government, or a restructuring of government (not necessarily with the purpose of slimming down the machinery) to make excellent public service provision the priority of the government. Ultimately the arrangement and delegation of work to ministries and agencies concerned must be based on specializations as the first principle of organization, and in the second the kind of secondary work that a ministry could also take on in order to improve public welfare on behalf of the entire government. Structures must be tendered to for them to work, and personnel are required for that. Structures must also, moreover, be complemented by interconnections. Thus, structure and rules of operation that facilitates mutual consultations among ministries as a matter of routine will be highly useful. This should not just be on the informal but also on the formal level, where on every matter of public service a ministry must make it an instinct to consult before it takes a decision, and differences in opinion among government ministries cannot remain as differences but must be resolved in order that there is only one government stand on any policy on public services, and only one government department responsible for any public services policy or enforcement. Any public service issue with across the board implications for many agencies should be handled by one single agency, with the support and advice of other agencies. While specialization and functions could overlap, the authority to decide on policy on public service should not. Therefore such agencies should be legally mandated by the government and/or the parliament.

It is apparent that many areas of public services provision in Viet Nam require urgent attention. Perhaps, it would be useful to say some words about the choice of public services to focus on in this policy discussion paper. The purpose of a paper that has length constraints, such as this one, cannot be expected to dig deep into every area of public service provision. Instead, the approach has been to select a few areas deemed to be the most controversial and urgent ones. Each area of public service provision in Viet Nam

deemed to be problematic does deserve a full paper of investigation, analysis, and recommendation, such that no research paper of a short length and not even the entire six papers in this series of research papers put together, would be able to aspire to provide. This point is also alluded to somewhat in the first cluster of recommendation to establish regulatory authorities.

3.1. Recommendations Cluster #1: Establishing regulatory authorities that represent and enforce government oversight (but not to directly provide public service)

These regulatory authorities would be primarily the eyes, ears, and hands of the government in overseeing the strategy as well as implementation of public service provision in a particular area, such as mass media, or public transport, or industry development. These regulatory authorities are distinguished from government ministries by the fact that they directly deal with industry players and service providers, and act as the middle party between policy makers in the ministry and the service provider. These regulatory authorities should be set up directly by a law from the National Assembly (with the suggestion of and design approved by the Government) and the law should designate an agency as the leading government institution on a particular area of policy. In terms of personnel appointment, the government should limit its role only to the appointment of a group of concerned and knowledgeable professionals to fill a Board of Directors. This Board of Directors should be the ultimate authority for the regulatory authority, and it should have the sole power of appointing a CEO to run the regulatory authority. The line of reporting of this regulatory authority goes back towards the ministry, but its annual report is submitted to the National Assembly every year for scrutiny, with both the ministry and regulatory authority accountable to the National Assembly. Such a model of regulatory authority is therefore set up by the political authority (comprising the state, comprising the Government and the National Assembly). Control over policy would be exercised by the Government. Beyond this, the Board of Directors (which should consist of a balanced group of people from concerned government agencies and from society, even possibly from foreign professional societies) makes the broad strategic directions for the regulatory authority and discusses those plans with the ministry incharge.

There are many policy areas that such a model of regulatory authority can be applied to, and it has been applied with success in a number of countries and territories, including the UK, Republic of Korea, Hong Kong, Taiwan, Singapore, Malaysia, Thailand, Indonesia, and the list goes on. Their use in Singapore has been found to be so useful that, decades after the model was adopted, the government has continued to establish new regulatory authorities, especially when new areas of closer government scrutiny in public services are deemed necessary in order that the government structure and operations can adapt to a changing environment. The reason why many countries have adopted this model of regulatory authorities is due to the benefits accruing. The first benefit is that it focuses the work on regulating a specific area of specialization and collects the work into a body of professionals who are also specialists in the area (The Board of Directors, the CEO, and heads of departments recruited for the regulatory authority must have specialist degrees or diplomas rather than general degrees or are practising professionals in the area with a good professional standing). In this way, the part of the ministry that normally conducts regulatory work should be transferred out to form the new regulatory authority. This prevents the government structure from becoming larger and also prevents overlapping authority.

The second advantage is there would be some distance between the policy maker (the ministry) and the planner and enforcer of policy (the regulatory authorities). A positive political outcome is that the government, while ultimately responsible for overseeing the provision of public service and cannot wash its hands off the matter, can hold a semi-independent body, in particular the Board and the CEO, responsible for work performance. Personnel changes

should become easier because employees would be placed on renewable terms of contract, with poor performance leading to non-renewal, even for both Board members and CEO. The semi-independence would encourage genuine discussion through interactions between Boards and ministries to reach better policy decisions, with the people in the ministry holding the big picture of developmental directions for all portfolio under the charge of the ministry, while the people in the regulatory authority could feedback on what would work, and what would not, and what were the good practices that could be found around the world but also relating to a specific public policy area it was responsible for.

A third advantage is: as a result of increases in the distance between policy making and policy implementation, and between ministry officials and those providing public service, corruption (when public service providers bribe those in the positions of policy making) could be reduced, especially when regulatory authorities are not allowed to have large spaces for discretion and this restriction should also be mandated for in laws and subsidiary regulations. The regulatory authorities could establish businesses that promote the implementation of policies, provided that these companies do not receive funds from the Board and should be run as going concerns, and are also used as instruments for success in policy implementation, such as for the purpose of promoting competition in service provision (to lower unit prices) or to foray where private enterprises hesitate because of high overhead costs and low revenue.

What specific things will such organs of regulatory authority do for its sector? As mentioned above, such regulatory authority will act on behalf of the state and the government, and in particular the ministry, to do a number of things: a) develop the industry or sector through the construction of strategy (through assisting the ministry); b) ensure that the strategy, complete with industry standards and public service standards relating to various aspects (technology, product quality, intellectual property, ethics, etc), is implemented or enforced; c) carry out monitoring of the latest trends and to act as the conduit for policy change at the ministry level; d) carry out administrative duties on behalf of the state, including the issue/control of licenses for specific activities, whether it is for the companies providing public services, or for members of the public.²⁹

The experience of Singapore in this regard is worth looking at. While the number of government ministries in Singapore is small, this masks a much larger number of sub-ministry regulatory authorities that administer public policy and public services.³⁰ The extent of independence of these regulatory authorities vary; some are organized as direct, sub-departments with full control by the ministries, while others are set up by Parliament on the proposal of the ministries and they enjoy a large degree of independence especially in the hiring of and appointment of officers. Consequently, many areas of public policy are under the charge of specialised agencies that have the ability to act nimbly and are not subject to the rules that would apply if the ministries were directly involved. Where public services are concerned, the regulatory authorities are also allowed to charge a fee but this fee is usually kept at the level of cost-recovery. Basic administrative services usually come free.

In Viet Nam's case, where there are also local authorities involve in tasks of governance, it would be tempting to establish branch offices of this regulatory authority at provincial and district levels. In essence such expansion should be encouraged but the number of personnel involved should be limited and be appointed by the Board, and these personnel should work independently of the local people's committee and not be accountable to the local people's committee (but feedback and second opinion assessments by the local people's committee for the Board's consideration should be welcome). It would be sufficient to have only a few persons posted to the provincial level to oversee matters of the Board there. In their work, the Boards should utilise technological developments such as e-government, on which studies and projects on implementation have been carried out for some time. E-government will make it possible for people as far away as Cà Mau or Lai

Châu to apply for licenses that are issued only in Ha Noi or HCMC, for example. Board officers at local levels could install e-kiosks for any resident to apply for services online and assistance could be given free of charge, wherever possible. An alternative to e-government is, where possible, to allow people to apply for these public services by posts. This is entirely feasible and registered posts (whose costs have tumbled) eliminate excuses by officials of not having received the mail. E-government, in short, could make it unnecessary to establish branch offices of the regulatory authority. Furthermore, when the CEO has full powers to hire and fire, he would be able to ensure that his staff members keep to service standards, and his failure to maintain or improve standards should endanger his own career.

What are the types of public services or policy areas that should have such regulatory authorities established?

According to Vietnamese researchers, a significant number of public services in Viet Nam are still provided directly by the government, or in fact are under heavy direct supervision by the government through its ministries. It is upon the government to decide how to make the idea of regulatory authority work by commissioning studies into all areas of public services. These studies should take into consideration the actual needs of each area, and answer the question: what variations to the general model of regulatory authority are better suited to a particular public service. There should be only one such national authority for each area, and the regulatory authority should make it extremely easy for any ordinary person to reach it regardless of distance, class, or status. The regulatory authority that is set up must – returning to the question of what a public administration system is for – establish a cognitive goal of developing further the industry or sector that it is responsible for, with the objective of bettering public welfare and driving towards excellent public service. One likely problem is of course that ministries could resist the establishment of the Boards because it would be less control over personnel and day-to-day running of portfolios that use to be that of the ministries.

Business model: degrees of competition

Then comes the question of what kind of business model for the industry or sector the regulatory authorities should allow or encourage. This is a keen question especially if it impacts upon the costs and prices of public services. There need not be any fixed idea on whether a state/private sector monopoly or a perfect market is better suited to pursue public welfare, even though by the first cut the school of economics would definitely say that competition promotes better welfare because it promotes the pareto optimum. The reality is that any private enterprise would try its best to maximize profits; it would dislike most a perfect market, and prefers most a monopoly. If private providers are to be found for public services as a means of socialization, then this profit motive must be taken care of but should be balanced against the social motive of equal access to all. If the government is naturally inefficient in their direct provision of public services and the private sector instinctively exploitative, then a balance and synergy between the two is desirable.

This actually means that the regulatory authority must gate-keep certain principles such as equal and minimum level of access for all, and allows the service provider to charge a premium for better services without cutting back on the respect and resources it must reserve for the larger number of minimal users. Under such a business model, product differentiation is important (to maximize profits from higher end customers) and so are economies of scale. For the latter the regulatory authority might want to think about giving the service provider a monopoly with social objectives attached as conditions. These conditions could include a maximum and a minimum price range that is linked to market conditions, greater subsidies for poorer areas, and an obligation to provide services to highly inaccessible areas. A subsidy for infrastructure construction could also be given by the government to help the enterprise recoup high overheads if the industry requires them. Ultimately, the company that is providing the

public services must be allowed to make a reasonable profit. Where the companies need the regular injection of capital expenditure to upgrade its services (capital intensive upgrades to provide better services) legal provisions requiring these companies to accumulate capital for reinvestment might be critical to the sustainability of high standards of public services provided by these companies.

One additional pillar that can support the work of regulatory authorities is civil society. Questions about definition and the status of its existence in Viet Nam need not detain us here, but it is apparent that the government is pliable to evolve a more nuanced view of the role of civil society in governance. Government attitudes about civil society in the realm of politics is probably still a red light zone, but there is a case to be made for more civil society participation in governance issues so long as civil society can prove useful to the task of governance. Dr. Thang Văn Phúc, former Vice-Minister of the Ministry of Government, opined in an interview granted to the authors that the role of civil society organizations in Viet Nam is still negligible. He thought that this role needed to be strengthened, especially in the realm of public services provision. He gave the example of accreditation of lawyers, a function that could be performed by the Lawyers' Association rather than by the Ministry of Law. We the authors are of the opinion that if ever this accreditation function is given to civil society organizations, it would not mean that the government would not have a role to play, but it should mean the government setting standards for accreditation (in consultation with professionals in the field), which the Lawyer's Association must comply with. While Dr. Thang Văn Phúc did not explicitly say so, we believe that he would agree with this caveat.

Another area where civil society can be useful in is the fight against HIV-AIDS.³¹ It illustrates how civil societies could play the role of giving honest feedback or even to provide public services when no private sector provider is found willing. Industry associations, for instance, have long had a role to play in the development of particular industries. They should be asked to play bigger roles to support the regulatory authorities, in particular participating in setting strategic directions for the industry. More importantly they could channel feedback on the provision of public services by relevant ministries. Industry associations have also long played the role of consultants to the government. If they can be asked to sit as a member of the Board of Directors of regulatory authorities of their industry or social policy arena, then not only can governance participation be even more inclusive than now, but the policy output is likely to be more relevant because the practitioners are participating in policy making. In Viet Nam, industry associations are actually government supported but it can be gathered from newspaper reports that association leaders do not always agree with government policies. These associations also tend to be lean in their organization and they are not likely to grow into extensive machineries that rival and act like local authorities.

3.2. Recommendations Cluster #2: Installing, sustaining, and rewarding excellence in public service provision

Despite the government machinery being leaner, and the structure of government rationalized, there are still questions hanging over the quality of operations of the government with reference to public services. There remains no, if any exists, independent assessment of how much better the quality of ministries' work in public services provision has been resulting from government structure rationalization exercises. That does not mean, however, that the Vietnamese government does not critically review the operations of the bureaucracy. What is suggested for is an agency that follows the issues of quality in provision of public services closely.

The recommendation here is the establishment of an Office of Excellence in Public Services. It would be the mission of this Office to install, sustain, and recommend to the government to reward excellence in public service provision within the government. This Office would be

part of the Office of the Government, or it could even take the form of a regulatory authority that answers directly to the Office. An alternate form of organization would be to organize this body as an Institute of Excellence in Public Services, perhaps to be located within the National Academy of Public Administration or under the Office of the Government.

Installing excellence

It would be the tasks of this Office of Excellence in Public Services in surveying and monitoring global trends in the provision of public service with the aim of adopting, if not the practices, then the ideas underlying excellence in public service provision all over the world. It would be its tasks to throw up ideas on a roadmap to achieving excellence in public services, and in providing solutions to all ministries (either as universal solutions to all ministries, or tailored solutions specific to conditions in individual places). The Office would construct the conceptual basis of their work upon experiences elsewhere around the world but their output would be policy recommendations. It would, of course, be responsible for recommending constantly to the government the changes to governmental structure that should underline the drive to excellence in public services.

Sustaining excellence

Assessments by government ministries on their own area of work could at best be considered as attempts to be self-critical, at worst a case of moral hazard. At present, the ministries themselves apparently do reviews and assessments of their effectiveness.³² What is needed are independent organizations (or organizations empowered to assess and to give recommendations for improvements) to, on a regular basis, assess the performance of government ministries in public service provision. While assessment of ministries is to be done by the Prime Minister and the National Assembly, it is more beneficial to divide up this work of assessment into sub-areas whereby more precise and specific assessments are possible. The reason is that the work of ministries (especially when rationalization has meant ministries multi-tasking) is very wide in scope, and the area of public service is one big area that can be disentangled from assessments over quality of policy formulation. The Office for Excellence can become the organization that can continuously assess the provision of public services by government ministries as well as other designated organizations, with the aim of keeping them on their toes so as to sustain and continue the push towards excellence towards public service provision.

How can the Office do this? It can do this through conducting survey and feedback in various forms (limited by ingenuity) so that the data collected can form the objective and evidential basis for assessments. The Office could contract some of these work out to NGOs or even a consumers' interest society, but it definitely should not contract individuals working for entities under any of the ministries, whether the ministry is under current assessment or not.³³

Rewarding excellence

Building a new culture of excellence in public service provision requires different building blocks, and one of these is the need to reward good behaviour in according to the norms that are being promoted. As such the effort to build a civil service culture on public service provision also needs to award those who expend efforts in pursuing excellence. The Office therefore could organize high-profile competitions, with material rewards, to individual departments and companies that have demonstrated that public welfare is at the centre of what they do every day. Again, the forms of competitions and the forms of rewards are only limited by the ingenuity of the Office, and in fact could also form part of the ad hoc compensation that government ministries, agencies, and companies could earn (on the assumption that the surveys and assessments are objective). Naturally, if the business model underlying the provision of a public service is a competitive market, it does not

necessarily mean that customer service would be the top priority of the companies, which could be the case if there is oligopolistic competition. As such, the Office would need to look carefully into the forms of competition and rewards that are appropriate for each sector, and to define the criteria for assessments. If the obverse side of rewards is that of sanctions, then the Office could also be the place to receive and investigate complaints against public service providers, and should be empowered to publicize the issues, and also to make recommendations to the Prime Minister (or a czar for public services) for appropriate action. This would mean the Office taking over the role of the present role of denunciations being handled by the National Assembly as well as relevant government departments. In addition, every ministry should be made to establish a hotline for public services complaints or feedback, and it should be made mandatory for ministries to inform the Office of complaints and feedback and also the remedial action that the ministry has undertaken.

3.3. Recommendations Cluster #3: Improving public service provision to rural areas

The rural population of Viet Nam is about 70% of its population. Although urbanization has reached a peak and is increasing the share of urban population, many villages, especially peri-urban ones, now have mixed economies that have one foot in the fields, and another in the urban economy. The complete disappearance of the rural areas and rural economy, whose traditions have taken centuries to evolve, is however highly unlikely. Therefore, given the continuation of the rural way of life for 70% of the population, improvements to public service provision to the rural sector is democratic, popular, and correct. It is also imperative that the government takes a more proactive stance on public services in rural areas and prevents the lack of public services from becoming a part of the politically divisive issue of the backwardness of the rural areas (this was what happened in Thailand).

At present the urban areas of Viet Nam are great magnets for underemployed labour because of greater work opportunities and also because of the better public services there that support a higher standard of living, such as better health care, better schools, and a cleaner environment. Most rural residents aspire or prefer to enjoy better services and this is one reason to gravitate to urban areas, besides getting a job. Many younger rural residents do move to the urban areas, leaving the older and weaker behind in the rural areas.

To make living in rural areas more attractive, provision of public services in the three basic areas of health care, schools, and the living environment in the rural areas should be uplifted. In addition, if we broaden our view of public services to include those government services that enable higher productivity from the rural sector, then the provision of such public services to the rural areas are essential. These enabling public services could include first and foremost greater support and better advisory services given to farmers on ways to advance farming techniques and productivity (higher value leading to higher income); important agricultural trends forecast and dissemination of knowledge, of the results of agriculture research including new and improved GMA products for higher value added exports; operation of commodity banks to stabilize commodity prices as much as possible, and to disseminate and update changes in standards that importing countries impose on agriculture imports, export market intelligence, and so on and so forth.

The government should seriously consider expanding the current research infrastructure within the Ministry of Agricultural and Rural Development (MARD), to combine them and allow the new unified body to become a semi-independent research, advisory, and information dissemination body to serve agriculture and rural development. This expanded research infrastructure at the national level should have a governing council comprising scholars, foreign agriculture experts from other important trade partners (on agriculture products), businesses representatives, and policy makers from MARD. This Council should be allowed to

appoint its own chief executive, and to have sub-departments that cater to different regions based on topography as well as sectoral differences. This expanded research infrastructure (may comprise several sub-institutes) shall also be the place where national standards for agricultural produce are maintained, where the seeds of national crops are put for safekeeping, etc. This institute, thus, shall take care of the strategy for economic (business and food security oriented) and social development strategy of the rural areas and be allowed to carry out concrete steps to implement the strategy. This would basically mean bringing the strategy division from within the MARD out from the ministry and defining the role of the MARD to setting policies to guide the strategy. The research infrastructure should then feed into the work of regulatory authorities responsible for different areas of public services.

One possible option in terms of government structure is to bring the Peasants' Association (Hội Nông Dân) and the MARD departments at the provincial and district levels under one single organization and to make sure that these officials operate under the authority of the strategy of the expanded research and policy infrastructure. The argument against this is it would be a duplication of existing capacity within the MARD. Moreover, the Association is known more as a political organization than as a professional organization or a guild looking into the development of the rural sector. (If The Peasants' Association, as a government-paid organization, does not provide policy input or professional advice, it should review its role or be abolished once the new research and implementation authority is established.)

What is being recommended here is in fact a rural development and agricultural authority that is much more proactive in improving the working and living conditions in the rural areas, in advising the government on the way forward to provide public services to the rural sector that will allow it to grow and contribute more to the national economy and to transform the lives of rural residents through good public services. This should be done for two reasons. One, the large rural population should be increasing its productivity and income per head, so that it becomes a veritable contributor to GDP, and even GNP (agricultural exports). Second, the rural areas can become an attractive area to compete with the urban areas for residents because it offers an alternate model of development and an alternative lifestyle to that of the urban areas.

Land regime and related public services

One area regarding urbanization and land redevelopment that has become another politically hot potato in the last twenty years is that of land requisition. On the surface, the matter is that of land regime; it has often been argued that because there is no private land ownership (all land are leased from the state) therefore there are no real market indications for the value of the land. Consequently, the so called "market prices" for land are unreal, resulting in huge gaps in expectations between those people whose land were being requisitioned by the state at low prices for redevelopment, and the developers who are usually either foreign or private or state enterprises. In reality, however, those who are being resettled often demand prices whom they consider as market prices (usually guided by the selling prices of adjacent or nearby land parcels), and would not settle for much less. There are also issues of rural unemployment once farming livelihoods are upset by the requisition, that make farmers refuse to agree or move.

The many protests against land requisition by investors and local authorities remind us that basic problems pertaining to the way the land has been requisitioned remain, and the interests of all parties concerned have not been taken care of adequately. The key problem is that peasants perceived the land requisitors as cheaters paying a very low price for land. Even though this price is supposed to be decided by the government but local authorities have a huge leeway in deciding on the price of requisition, and usually make it low and then subsequently selling the land off to investors for a profit. Investors are perceived by farmers to be exploitative, paying a very low price for land and then using the land for more profitable

purposes than the land was originally requisitioned for, or selling land space in those projects that were at a price much higher than that paid to farmers. They are also often seen to be in cahoots with local officials to do that. Other frequent complaints include officials requisitioning more land than were approved for the project to satisfy their avarice. While it is a very complex topic, a simplistic yet powerful way to summarize the problems with land requisition is that the protestors in problem projects perceive injustice and therefore the protest or go slow in vacating the land.

Price differentials in fact are only the manifestations of discontent. The discontent stem instead from an expectation gap. No doubt developers, whether they are redeveloping agricultural into either residential or industrial land, would be making a profit by capturing the differences in value, but this initiative is deserving of reward because the developers created ideas of projects as well as take the risk for capital investments. The key issue on the part of developers is whether this point has been well communicated to all resettlers. The latter on their part must be understood as reacting on the basis of all the information they have and on the basis of a common perception that corruption among local authority officials is rampant, a perception frequently confirmed and reinforced by real cases. Given that there have been cases whereby people who hold out to the last minute before nodding their heads to resettle have been given much higher compensations, it would also be natural to see in future projects that resettlers learn from this lesson and play the game of brinksmanship.

From the point of view of the government's role in development, land requisition is a public service because it affects many households and concerns a public policy, the land regime. The responsibility of the government is in land regime management. Land requisition as is practiced at the moment is a matter, however, mostly handled by local authorities, with the guidance of the central government regarding land usage and land prices. Land requisition is set in motion only after an investment project has identified a certain land area in a particular locality, and the government and provincial authority then deciding on the final physical location for the project. After that the process to requisition land begins. This is a flawed process because local authority officials are often perceived to be corrupt and in many cases they indeed have been. Local officials often hide in confidence land use masterplans in order to allow a small group among themselves to speculate on land. Although the government has required local authorities to publicise these masterplans, this requirement has often been ignored or complied with perfunctorily. Asking a group of people perceived to be usually greedy or known to be corrupt to handle land requisition matters where there is a real value differential between undeveloped and developed land is like asking wolves to be shepherds.

What is recommended, therefore, is a new land requisition authority that will set out standard procedures, under which all parties who are actors in the development project must acknowledge and play to its rules. This authority will decide land prices, communicate the necessary to all parties, and bypass local authorities in land requisition decisions. Its actions, its decisions, and the information it bases its work on must be transparent and accessible to all. It must operate independently of the local authorities, and should be able to communicate directly with resettlers in meetings held openly. The land requisition authority shall be the adjudicators and keepers of monies, and shall operate on budgets given by the central government. Where the local authorities lack transparency in providing information to the public, this new land requisition authority should fill the gap, including making masterplans readily available or even as publications that can be purchased easily and cheaply. Officials of this new authority must behave with probity, an element that will make or break this authority.

One strong advantage of such a new land acquisition authority accrues from the fact that it operates outside the central government ministry and local authorities in terms of its routine operations. This would allow it a certain amount of independence in decision making. Its decisions would be seen as independently arrived at rather than influenced by bureaucrats that could have a vested interest. Such an image is crucial for smooth work flow at a time

when local authorities are often perceived as acting in cahoots with companies to cheat, and resettlers often seen as over-demanding. Independent adjudicators could help overcome this lack of trust. Second, it can act as the buffer and make sure there is an agreed price of land that is fair to all players. Foremost in its assets would be its integrity because it would not be acting on behalf of the local people's committee. It might be necessary to engage foreigners as experts to advise or lead the authority and/or to head requisition exercises, given that there is a higher chance they could be seen as more independent than Vietnamese officials. Third, this new land requisition authority could help to overcome a few serious shortcomings in the way requisition is being undertaken currently. Local authorities, now responsible, often lacked professionalism in their work given that their staff members are not trained in the required disciplines. Furthermore, local authorities often do not have the financial capital to compensate affected residents for requisitioned land. Consequently they often requested investors to front the requisition exercise or loaned monies from investors for the requisition exercise, which then brought about many issues such as conflicts of interests. Whether it is true or false, no perception of such conflict of interest should ever be allowed to emerge in land requisition exercises. The new land requisition should bear this in mind all the time.

3.4. Recommendations Cluster #4: Public housing and municipal issues

The provision of housing in Viet Nam by the state has a long history, given the long history of socialism in the country. Under socialism, people were supposed to be given accommodation by the state enterprises or departments that they belonged to. The poor economic circumstances of the 1980s began to see the dismantling of this housing regime, caused by changes in the philosophy of management. Now, few people expect government departments or state enterprises to provide housing as a matter of right, although some of them still distribute land for their employees to build their dwellings or build flats for distribution and sale at discounted prices to their employees. Housing, however, is still seen as a human right and this ambiguous statement in the law has often been used by resettlers to demand adequate compensation at market rates for requisitioned land and/or houses so that the proceeds would be sufficient to purchase a new dwelling.

While the market now mainly determines the flow of the housing stock as well as decisions to build homes and the size and types of homes, there remains the important issue of social justice with regards to the ability of the poor and even lower-middle income levels to be able to buy their own homes. For these people the government should continue to play a role in the building of affordable homes. It would seem, however, that currently the efforts to build these homes are not targeted at the entire group of poor and low-middle income people per se, but instead is targeted at rural poor and those whose families had contributed to the revolution (Decision No. 167 dated 12 December 2008 of the Prime Minister). These poor are usually identified by local authorities through local knowledge, in lieu of the absence of taxation data that could differentiate the poor from the rest. Furthermore the houses are all gifted to the poor. They are built in small quantities and scattered, mainly aiming not to relocate the residents, which otherwise could detach them from a familiar social environment. This caters to the unique circumstance of the rural area and aims at alleviating poverty and misery without isolating the person. Given the small scale of this matter in the rural areas, the matter should continue to be taken care of by local authorities in rural areas.

On the other hand, the urban poor have it tougher. Unless they originally had a dwelling in hand, the urban poor are usually not able to obtain replacement accommodation easily, let alone upgrade. Those who had a dwelling in urban areas and who were being resettled for urban redevelopment could count on compensation based on market prices for residential land, which usually takes the form of a one-for-one exchange, or preferential terms for purchase and hire-purchase. There are other urban residents, however, who are not so fortunate. Among these people are recent rural-urban migrants, many of whom pay huge

amounts (relative to their income) of rental for urban accommodation. Or take the case of peri-urban residents who see their agricultural land acquired at low prices, and then have to pay high prices for accommodation in the same location. On the supply side, however, urban redevelopment and especially urban housing development have been moving towards the direction of private sector solutions (price mechanism) while some government departments and state enterprises continue to offer either rented or purchased accommodation to their employees. The urban poor who are not such employees would definitely be left out. They and young families that seek to be independent therefore face huge amount of pressure not just in terms of financing their new home, but also – where such financing is not available – living under temporary conditions such as living with in-laws, relatives, and friends, which can have negative consequences.

A case can be argued, therefore, for the government to review how it can help this urban class, by defining housing for the urban poor as a public service. The only but good reason for doing this is to alleviate inequality and promote political stability by preventing emergence of a hardened urban underclass. One of the solutions should come in the form of affordable housing whereby the houses are available for outright purchase at attractive mortgage terms that would make it easy for them to own houses. The solution must come with attached conditions so that such subsidies are not abused, and the government can establish funds for loans.

These are needs that the present structure of government may not be so good at handling. In the past the government departments that were responsible for building flats and houses for distribution were the Ministry of Construction, ministries and departments, and local authorities and state enterprises. The Ministry of Construction had branch offices in localities, and also had many subsidiary companies that undertook the actual work of construction once localities and departments' plans to have new housing built were approved by national planners. Some ministries also had their own subsidiary companies that did the construction. As such, the format was simply self-help by every ministry and every sector, and the coordination was done through planning figures allocated from the top within the Ministry of Planning and Investments.

What is recommended here is the consolidation of public housing issues of urban and peri-urban areas into one single agency, and to reorient the mission of this agency to providing public housing only for the poor and middle to lower and middle classes. This agency need not undertake the construction of homes, which could actually be better done by the private sector. This agency should instead draw up plans according to a vision of what percentage of the urban population should be housed in its homes, and allocate state budgets for the construction and then facilitate or provide loans for hire-purchases. A small profit for the agency should be allowed, to cover incidental costs. In addition, this agency should take the lead in the design of these dwellings (most probably high-rise flats that are integrated into town planning), and stipulate conditions for purchase and rental that favour the less privileged. There should be safeguards to prevent abuse, such as proof of low income, legal constraints on transfer and sub-renting, obligations to pay back loans, means testing, and limiting chances to buy these flats from the government to just once in a life time for every married couple.

Town Councils

Town councils are management authorities of urban towns or a selected size that are commonly seen in many countries. A town council is usually headed by a mayor, acting as a CEO that leads a team of professional managers to manage and upkeep the town area. Mayors are usually elected for fixed terms. A town council has the authority to decide on maintenance and minor public works, but not the major public works such as town planning, roads, architecture, zoning, etc, powers that belong to the national authority. The town

council is authorized to collect maintenance fees from residents under its jurisdiction, and to use this money for maintenance and put away some for public works that it has authority to decide. This model of management actually allows the careful management of local and everyday issues of the town, and allows towns to self-manage and self-govern.

At present, urban management is under the people's committees of each local district and city. This model is bureaucratic because leading officials are taken from people's councils, and officials are usually appointed from ministries or recruited by the local people's committees to work in different sections. On the other hand, in new urban areas upkeep and maintenance of highrise housing estates are usually left to individual housing estate councils, splitting up the urban areas into little enclaves of people's committees and management committees that have separate powers to decide but perhaps seldom collaborating. An opportunity exists in combining efforts to upkeep areas and to achieve economies of scale, and at the same time appointing elected office bearers to positions that carry management clout in terms of management of local areas and local issues. The recommendation is to eradicate urban wards (*phường*) and to turn urban district people's committees into town councils, as well as to eradicate the people's councils at the district levels. Municipal issues of big cities can then be taken care of by a few town councils under the supervision of the City or the provincial people's committee. For each of the town council, an office should be set up to administer town matters, with hotlines available for people to call to ask about the provision of different sorts of public services, especially estate upkeeping issues such as sewage, cleanliness, painting works, repairs to public works, lighting in common areas, etc. The idea is to facilitate access to public officials (meaning town council), and to give town councils the power to decide on these issues without having to refer to the City (unless where city-wide and national issues are involved). A mechanism could be found to elect capable managers to head the town council, or one of the local members of the National Assembly (members of the Assembly are elected based on districts) should be assumed to assume the seat of mayor, which should be a full-time position. Town council employees should not be government officials.

3.5. Recommendations Cluster #5: Education and labour issues

Education in Viet Nam has been a hot public policy for decades. The current state policy is to provide universal education up to 12 years, and school fees are heavily subsidized by the government. There is tremendous resistance in society at large against deeper socialization for primary and secondary education beyond what has been already been achieved. While the government encourages the establishment of private schools at both primary and secondary levels, the number of such schools has been small, and most parents would prefer mainstream schools over private sector schools. An attempt in 2008 to increase school fees to shoulder more of the government budget was shot down in the National Assembly, further limiting the resources that the government has to improve the quality of basic education and to try to eradicate corruption within the education sector, although the proposal was finally passed in 2009.

It might appear, however, that there are other urgent reforms to the provision of education services by the government that are beyond the issues of school fees and socialization. Skills' training, for instance, should become a major pillar of the education system, in view of the severe shortage of skilled workers and technicians. In Singapore it is a part and parcel of the economic success story – how the training of human resources – without trying to satisfy all aspirations for tertiary and academic education – has assembled a trained and skilful workforce to satisfy investors. In Viet Nam's case, clearly the number of students now in the tertiary sector is several times that in the upper secondary sector (please see Row 10, Table 4).

The Vietnamese government should aggressively establish a network of skills training school for early school leavers at the primary and secondary levels (11, 14, and 17 years old and at

any time) and aim to provide the training free of charge to school leavers to mop up excess labour, to provide enough skilled labourers and technicians, as well as to provide adequate training for its labour before they commence working overseas.

At present, the way education work is organized depends much on the capacity of the local authority to move things forward. Every province has an education department and every district would have a section that deals with education. Organizing the work of education this way will enlarge the machinery unnecessarily and waste resources, when much of the work can actually be done from the centre or from two or three centres. Skills training, in particular, need extra attention from the central or higher levels and it would seem that the Ministry of Education should reorganize its own organizational setup and pay more attention to how changing the structure of organization of administrative work in education could enhance attention and increase resources available to the sector. One of our interviewees, Dr. Nguyễn Quang A, thought that this reorganization should ready and equip the Ministry of Education to concentrate on macro-management of education issues, and it should not interfere or participate in the management of universities, especially in tasks such as the appointment of professors or the micro-management of the curricula, or organization or administration of university entrance examinations. Reducing the number of levels overseeing education and to concentrate powers of decisions at the central level is appropriate for a time when there needs to be strong changes to the education system.

It is recommended that instead of having provincial offices and district departments, the Ministry of Education should look towards establishing three major regional offices to replace the provinces and districts, and to take away powers of administration over teachers and schools, which is currently under the purview of provinces and districts. These three major regional offices (Hà Nội, Hồ Chí Minh City, and Huế) would take care of the three regions respectively, and they would be the representative or regional offices of the Ministry rather than subordinate to the provinces. Furthermore, skills training institutes should be established as a major pillar of the education system. Getting the maximum number of people passed to go to the university should not be the aim of this system, although in the long term a developing economy will need more graduates than before. In this regard, there may be a need for the Ministry of Education to cull the number of private universities by using the means of quality control.

Table 4: Vietnamese students 1999-2007

Source:

Number of students	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Pre-primary	2,496,788	2,479,788	2,487,755	2,547,430	2,588,837	2,754,094	3,024,662	3,147,252
<i>Change over previous year (%)</i>	-	0.68	0.32	2.40	1.63	6.38	9.82	4.05
Lower secondary	17,806,158	17,869,398	17,925,422	17,796,998	17,578,497	17,246,299	16,757,129	16,371,049
<i>Change over previous year (%)</i>	-	0.00	0.00	-0.01	-0.01	-0.02	-0.03	-0.02
Upper secondary	182,994	200,225	194,831	389,326	360,392	466,504	500,252	515,670
<i>Change over previous year (%)</i>	-	9.42	-2.29	99.83	-7.44	29.44	7.23	3.08
University or College	893,754	918,228	974,119	1,020,667	1,131,030	1,319,754	1,363,167	1,540,201
<i>Change over previous year (%)</i>	-	2.74	6.09	4.78	10.81	16.69	3.29	12.99
<i>Compared to number of upper secondary students (%)</i>	488.46	458.59	499.98	262.16	313.83	282.90	272.49	298.67
Total students	21,379,694	21,467,639	21,582,127	21,754,421	21,658,756	21,786,651	21,645,210	21,574,172
<i>Change over previous year (%)</i>	-	0.00	0.01	0.01	0.00	0.01	-0.01	-0.02
Students per 1000 people	279	277	274	273	268	266	260	256

(Source: Project of Ministry of Education and Training on Reform of Education Financing Mechanism (2009-2014), submitted by the Government to the Parliament, May 2009)

http://www.na.gov.vn/htx/Vietnamese/default.asp?sAction=DETAIL_DOC&intTypeID=1&intSessionID=194&intSitID=10&intCurrPage=1&descript=V%C4%83n%20ki%E1%BB%87n%20chung

Labour exports

At present, more than 500,000 Vietnamese are working overseas at any time.³⁴ These sojourners send back remittances and alleviate the pressure on the labour market at home. Given the large size of this labour force, and the perennial problems of exploitation (read market failure) that labourers face, it is high time that the Vietnamese government consider the enabling of export labourers' welfare as a public service.

The problems that the labourers face are immense. They are usually asked to pay agents a huge sum and many people, in desperate search for work, loan huge sums of money for this purpose. Labourers borrow to hope that a continuous stream of income from overseas work would help pay back the loans. Many workers, however, face difficult and exploitative conditions of work that are different from those promised by agents at home, and agents often wash their hands off the matter after sending the workers overseas, and commissions collected. Some agents deliberately mislead labourers in order to encourage sign-ups and up front payments. Other agents are also covers for human trafficking. During difficult economic times like a financial or economic crisis, moreover, repatriated workers will put additional pressures on the labour market at home.

Regulation of this market is definitely necessary, but it is argued that regulation alone is insufficient. Regulation can only make the agents give the labourers a fairer deal but fail to address living conditions at destination places of work. The government could consider establishing a work agency to replace the agencies and to channel all demands for Vietnamese labourers overseas through the network of embassies to a new Labour Export Agency in Viet Nam. This agency will provide information, match make supply with demand, ensure that labourers who go overseas are of sufficient training and standards (so that employers have no grounds to complain) and most importantly only collect a reasonable fee that should be much lower than that collected by agencies.

One might argue that the private sector in competition could provide better services. The answer to that is that this sector has asymmetrical information because workers are unable to access the information and has no idea on what to expect or what demand there is to be fulfilled. On the other hand, the overheads they have to pay for this information is very high, and in addition, agencies are normally driven to maximizing commissions and would seek to send as many workers overseas as possible irrespective of market conditions. They have indeed been complaints from workers that no work is available upon arrival, and often they had to be sent home right away, or they take risks to stay on as illegal migrants and get into trouble. In short, market failure where a large number of the public is left at the mercy of a small group of agencies demands that the government take over this role and erect an agency (not under government payroll but is non-profit and cost-recovering) to ensure that labour exports proceed in an environment that has the interests and welfare of the workers as first priorities. Finally, the government is often needed in the negotiation with foreign governments over minimal work/living conditions of Vietnamese workers in foreign countries.

Conclusions

Following the financial crisis of 2008, the spectre of nationalism and protectionism has loomed. So does a challenge to the heretofore widely-accepted idea that the government in many sectors should lift their hands from the provision of public services. Public service provision from 2009 worldwide will have to face up to important questions about the hegemony of the idea of privatization in the last three decades. Everywhere, societies are crying for the state to step back in to rescue banks, companies, as well as to provide welfare to everybody to tide over the difficulties caused by the crisis. Would privatization remain as the wisdom regarding public service, or will it be rolled back? These trends also impact on the larger question of whether a small government, in conjunction with reliance on the market economy and dominant role of the private sector, will continue to be the way to go for governments seeking the best ways of governance, especially in the pursuit of excellence in public services delivery.

From the point of view of the global financial crisis in 2008, however, it might seem from a first-level analysis that the time to review the orthodox view about socialization is now. If the crisis has deepened the absence of confidence all over the world in the ability of the free market to recover on its own adjustments without the help of the state, what is to happen to public services, many of which are operating as private concerns on license from the government, and are staring in the face the question of financial sustainability? The supremacy, and wisdom, of privatization, of small government has now been questioned by the financial crisis.

The answer to this question seems to be that if privatization and socialization of public services help with more efficient allocation of resources, and if this in turn helps with the competitiveness of the country, privatization and socialization are likely to remain desirable arrangements for the long term, because the current economic crisis is a systemic crisis that is not about competitiveness, but a deflationary cycle that affects the purchasing power of everybody. No doubt the state may have to step in to assist with helping private companies providing public services to tide over the period of losses or non-profitability, and/or to help households without the ability to pay for services in a downturn. But the issue of competitiveness is one that will outlast the deflationary cycle, and will be a goal that any developing country has to strive towards in any kind of business cycle. In any kind of business environment, investments will go to the places with the highest returns, and therefore it will pay to be competitive in any business environment.

The more important point is that excellence in the provision of public services is easily recognizable, and should remain a goal to be pursued, irrespective of the ideology underlying the form of provision. The fact that excellent public services signify a decent and cultured way of life, the capacity of the governance system, and the strength of the political system are difficult to dispute. The value of excellent public service is even clearer if as part of the public administration system, public services enable a society to perform better in its quest for progress. Regulation, rather than simply privatization, seems to be the key.

Viet Nam faces the danger of being trapped in low value growth because of the poor delivery of key public services. Investors (including foreign investors unless the market is closed with protection for domestic industries) and brainpower look for places where they are treated with respect and are provided with the appropriate environment to grow. The best brains in the world, besides looking for the best paying jobs, also look for a good living environment. In terms of key public services, Viet Nam has many notches to climb up. Goods and services that these people need are available, but at high prices when compared to the region or

countries at similar levels of development; important public goods that are part of the “work” infrastructure, such as traffic conditions, water, air, good schools, good health care, etc are down in low quality compared to elsewhere. These shortcomings need fundamental solutions that usually start with a change of perspective on the part of policy makers as well as the establishment of the ways and means to make and enforce effective policies for change. To do so, the way policy makers look upon the nature of such services and goods will have to change.³⁵

The key question of sustainability will hover in the background of PAR in Viet Nam. After twenty years of PAR, it appears that Viet Nam still desires and requires extensive foreign help in constructing its PAR, from financing to designing. One might wish to consider that PAR reforms are more likely to be fast than slow, if the government is determined to move quickly towards excellence as the fundamental mode of operations in its PAR, and also towards creating organic engines to push this movement. The reason is, self-initiated reform create more urgency through stakeholderhood than fully foreign-funded or foreign-inspired PAR. Self-initiation requires a change in the mindset of the consumers of public administration, the public administrators themselves, Vietnamese policy makers, and the way the government works. Whereas without self-initiation, mission statements crafted in the head offices of funding agencies or ministries are not likely to affect the same amount of urgency – not to mention wastage. It has been assessed that Vietnamese ministries and government agencies are very limited in their self-assessments and suggestions for improvements in PAR.³⁶ Given moral hazards, this is perhaps not unexpected.

What therefore needs to be done is **a clearly articulated focus of “service to the people” when bureaucrats and/or the appointed agencies provide public service.** This focus should contain clear articulation of standards of behaviour, with very clear goals for such behaviour, and as little tolerance as possible for serious compromises of these standards (with the seriousness also very clearly defined). Not only should these reforms be initiated, but further next stages of such reforms must come from within the bureaucracy so that a self-generating momentum for continuous improvement is generated. Only when such reforms are generated organically from within the civil service would there then be ownership of these reforms, which is more likely to drive the reforms to success than if they are considered as imposed ideas from the outside and thus irrelevant.

Endnotes

¹ List of interviewees include: Nguyễn Đăng Dung, Director of Research center for human rights, Law faculty, Ha Noi National University (October 17, 2008); Võ Kim Sơn, Faculty of Organization and Personnel, NAPA (October 18, 2008); Thăng Văn Phúc, Former Vice Minister, MOHA (October 20, 2008); Vũ Minh Giang, Vice President, Ha Noi National University (October 20, 2008); Đặng Xuân Phương, Vice Director, Department of Organization and Personnel, General Department of Sea and Islands, MONRE (October 22, 2008); Nguyễn Đức Chiến, Former Director, Department of Organization and staff, MOHA (October 23, 2008); Lê Chi Mai, Dean of Public Finance Faculty, NAPA (November 14, 2008); Trần Việt Phương, Research fellow, Institute of Development Studies (November 15, 2008); Duong Quang Tùng, Former Vice Director of ISOS, MOHA (November 17, 2008); and Nguyễn Quang A, President of Institute of Development Studies (December 20, 2008).

² Martin Painter (2008), *Low Quality Government as a Development Strategy: Dilemmas of Governance in China and Vietnam*, unpublished paper, City University of Hong Kong, p. 1.

³ See as a typical assessment: Phạm Tuấn Khải (2008), “*Tổ chức và hoạt động của Chính phủ theo yêu cầu của nhà nước pháp quyền Việt nam Xã hội Chủ nghĩa*,” unpublished paper dated October. Phạm Tuấn Khải hails from the Office of the Government, SRV. Also in the PAR policy discussion papers series see Gainsborough, Martin et al (2009) “*Corruption, Public Administration Reform and Development: Challenges and Opportunities as Viet Nam moves towards Middle-Income*”. UNDP-Ha Noi, Viet Nam.

⁴ An example of “turf battles” that is easy to identify is the area of public finances management in local authorities. In every province, there is a Public Finance Department that is a component of the People's Committee of the Province. This department is supposedly responsible for managing public finances, but other than this department, every province also has other agencies that manage aspects of public finances. Two cases in mind are the taxation department, and the provincial branch of the state treasury, both of which do not answer to the People's Committee directly but are organized as local representatives of the Ministry of Finance. These agencies are the real managers of the specialized areas, and their powers are delegated from the Ministry of Finance. The heads of the Public Finance Department often complain that their departments do not have the power to decide on all aspects of public finance of their provinces, and in reality they are only responsible for the state expenditure in the budget of their provinces

⁵ Trần Văn Tuấn (2007) “*Tiếp tục đổi mới tổ chức bộ máy nhà nước và xây dựng đội ngũ cán bộ, công chức trong tình hình hiện nay*”, *Tạp chí Cộng sản* 28 November.

⁶ Đặng Đức Đạm, “*Đổi mới tổ chức bộ máy quản lý nhà nước nhằm thực hiện tốt các chức năng quản lý nhà nước về kinh tế*”, unpublished and undated paper given by the author, p. 1. This differentiation was decided by the Resolution of the 7th Plenary of the 8th Central Committee, tenure from 1996-2001.

⁷ Đinh Duy Hòa (2008), “*Đẩy mạnh cải cách hành chính, nâng cao hiệu lực, hiệu quả quản lý của bộ máy nhà nước*.” *State Organization Magazine* No 1+2, page 20, Ministry of Home Affairs.

⁸ Interview with Dr. Nguyễn Quang A, December 2008.

⁹ “*Xét về tinh thần, thái độ phục vụ của cơ quan và công chức hiện hành, thì bộ máy hành chính nói chung có nhiều biểu hiện xa dân, gây khó khăn nhiều hơn là tạo thuận lợi và phát huy mạnh mẽ trí tuệ, khả năng của dân. Nhiều cơ quan, công chức nhà nước vẫn coi mình là cấp trên của dân, ban ơn cho dân, cửa quyền với dân, sách nhiễu dân. Sau 15 năm đổi mới, bài học lấy dân làm gốc ... đã không được phát huy tốt, thậm chí có phần bị sao lãng.*” Đặng Đức Đạm, “*Đổi mới tổ chức bộ máy*

quản lý nhà nước nhằm thực hiện tốt các chức năng quản lý nhà nước về kinh tế”, unpublished and undated paper, p.6.

¹⁰ Lê Chi Mai (2006) Dịch Vụ Hành Chính Công. Hà Nội: Nhà Xuất Bản Lý Luận Chính Trị, Bộ Nội Vụ, p. 6.

¹¹ Lê Chi Mai (2003) p. 135 stated that the difficult financial situation was due to the inability of the state to boost its revenues, as revenue collection by the government was only 14.7% of the GDP. Lê Chi Mai, however, was referring to the late 1990s.

¹² Phạm Tuấn Khải (2008) “Tổ chức và hoạt động của Chính phủ theo yêu cầu của nhà nước pháp quyền Việt nam Xã hội Chủ nghĩa.” Unpublished paper, October, p. 3.

¹³ Government Steering Committee for Public Administration Reform. The Secretariat. Report of the group 3: Review of the public administration reform in the field of organizational structure of the government apparatus and state management - roles, functions, responsibilities and structure. (June 2000), Vietnamese version, p. 8.

¹⁴ Government Steering Committee for Public Administration Reform. The Secretariat. Report of the group 3: Review of the public administration reform in the field of organizational structure of the government apparatus and state management - roles, functions, responsibilities and structure. (June 2000), Vietnamese version, p. 20.

¹⁵ Government Steering Committee for Public Administration Reform. The Secretariat. Report of the group 3: Review of the public administration reform in the field of organizational structure of the government apparatus and state management - roles, functions, responsibilities and structure. (June 2000), Vietnamese version, p. 21.

¹⁶ Lê Chi Mai (2003) “Cải cách dịch vụ công ở Việt Nam,” Nhà Xuất Bản Chính trị Quốc Gia, Hà Nội, Việt Nam, p. 120.

¹⁷ Lê Chi Mai, Dịch Vụ Hành Chính Công. Hà Nội: Nhà Xuất Bản Lý Luận Chính Trị, Bộ Nội Vụ, 2006, pp. 20-21.

¹⁸ Đinh Duy Hoa (2008), “Đẩy mạnh cải cách hành chính, nâng cao hiệu lực, hiệu quả quản lý của Bộ máy nhà nước”. State Organization Magazine No 1+2, page 20-23, Ministry of Home Affairs.

¹⁹ Figures on Singapore from 1996-2008 are available at:
www.mof.gov.sg/budget_archives/index/html

²⁰ <http://thejakartaglobe.com/home/yudhoyono-presents-2010-proposal-for-indonesias-budget/321974>

²¹ Thanh Hà, “Cần làm rõ việc “bung” ra nhiều trường CĐ, ĐH”, Tuổi Trẻ 19-12-2008, p. 8. Once the government agreed to allowing what was in effect an unlimited expansion of tertiary education institutions in 2005, from then to August 2008, there were 232 new and upgraded universities and training colleges, of which 78 were training colleges. The Ministry of Education supposedly also published a list of strict guidelines for establishment of tertiary educational institutions, but many substandard ones were still able to establish themselves.

²² Viet Nam News, 18 October 2008, p. 2

²³ “Ngành giáo dục đang nợ một lời giải thích,” Vietnamnet, 28 November 2008.

²⁴ Vietnamnet, 18 April 2008.

²⁵ Lê Chi Mai (2003), p. 160 especially Table 2.3.

²⁶ The general assessment on the health and education areas of public service provision were taken from Le Chi Mai (2003), pp. 125-134.

²⁷ Conversation with a doctor who worked as a policy consultant for the medical field, December 2008.

²⁸ “Sống ở Thủ đô vẫn thiếu nước sạch hàng chục năm,” Vietnamnet 4 March 2009.

²⁹ In Singapore, most types of licenses that have less to do with internal security or public order issues are now issued by authorities located outside ministries. Some ministerial agencies also collect fees or issue licenses on behalf of other usually unrelated ministries to as to maximize convenience for the people, provided the licenses/fees they are responsible for occur in the same space as that of the other agency. For instance the road tax authority collects the car radio license fees for the media authority. Some public service providers such as the postal companies do more than post letters; they also perform public services on behalf of the government and receive a service fee in return. Even different banks also share their cash dispensing machines to allow customers greatest convenience. It shows the culture of service first has permeated throughout society.

³⁰ The Singapore Government Directory is available electronically at <http://app.sgdi.gov.sg/index.asp>. In the printed version of this Directory, organizations set up by the Singapore government to oversee public services provision are consolidated in a special section so that users of the Directory know which government agencies are relevant to their needs.

³¹ Khuất Thị Hải Oanh, “Đương đầu với HIV/AIDS ở Việt Nam: Từ góc nhìn của xã hội dân sự.” Viện Nghiên cứu Phát triển Xã hội, Hà Nội November 2007. The regulatory authority model, however, may not be suitable for the HIV/AIDS arena because this arena needs more attention to the social and medical aspects of the problem than the commercial effectiveness and sector development of other areas. In general, social sectors without an economic profit angle may not find the regulatory authority with public services provided by commercial entities useful. But this does not mean that the government should not try to concentrate powers and authority to decide on strategy and enforce that strategy in one single entitle, rather than spreading them over several agencies. This diffusion has compromised the effectiveness of the fight against HIV/AIDS.

³² Đinh Duy Hoa (2008) “Đẩy mạnh cải cách hành chính, nâng cao hiệu lực, hiệu quả quản lý của Bộ máy Nhà nước”. State Organization Magazine, No 1 + 2, page 23 Ministry of Home Affairs.

³³ In this regard the Satisfaction Index is an early but worthwhile project to continue. It is gratifying that although the institute compiling the Index belongs to the HCMC authority, it has been direct and honest in demonstrating a level of satisfaction that is less than average with regards to public services provided by the City.

³⁴ Data provided by the Department of Management of Overseas Labour, Ministry of Labour - Invalids and Social Affairs. 8 April 2009.

³⁵ For the point about how poor public service provision in Vietnam is hurting the Vietnamese economy, see Lê Chi Mai (2006) Dịch Vụ Hành Chính Công. Hà Nội: Nhà Xuất Bản Lý Luận Chính Trị, Bộ Nội Vụ, p. 7.

³⁶ Đinh Duy Hoà (2008) “Đẩy mạnh cải cách hành chính, nâng cao hiệu lực, hiệu quả quản lý của Bộ máy Nhà nước”. State Organization Magazine, No 1 + 2, page 23 Ministry of Home Affairs.