

VIETNAM



Waking up to reform

Political structure

The Socialist Republic of Vietnam is a single-party state. A new state constitution was approved in April 1992, replacing the 1975 version. The central role of the Communist Party was re-asserted in all organs of government, politics and society. Only political organizations affiliated or endorsed by the Communist Party are permitted to contest elections. These include the Vietnamese Fatherland Front, workers and trade unionist parties. Although the state remains officially committed to socialism as its defining creed, the ideology's importance has substantially diminished since the 1990s. The President of Vietnam is the titular head of state and the nominal commander in chief of the military of Vietnam, chairing the Council on National Defense and Security. The Prime Minister of Vietnam is the head of government, presiding over a council of ministers composed of three deputy prime ministers and the heads of 26 ministries and commissions.

The National Assembly of Vietnam is the unicameral legislature of the government, composed of 498 members. It is superior to both the executive and judicial branches. All members of the council of ministers are derived from the National Assembly. The Supreme People's Court of Vietnam, which is the highest court of appeal in the nation is also answerable to the National Assembly. Beneath the Supreme People's Court stand the provincial municipal courts and the local courts. Military courts are also a powerful branch of the judiciary with special jurisdiction in matters of national security. All organs of Vietnam's government are largely controlled by the Communist Party. Most government appointees are members of the party. The General Secretary of the Communist Party is perhaps one of the most im-

portant political leaders in the nation, controlling the party's national organization, state appointments and setting policy.

Local government system

Vietnam is subdivided into 64 provinces, which are further subdivided into districts and municipalities. Vietnamese provinces are in theory controlled by a People's Council, elected by the residents. The People's Council appoints a People's Committee, which acts as the executive arm of the provincial government. This arrangement is a somewhat simplified version of the situation in Vietnam's national government. Provincial governments are expected to be subordinate to the central government.

Decentralized governance and related issues

Vietnam has been declared by the WorldBank (2005) as one of the most decentralized countries in Asia, with almost half of its public expenditures being managed at the sub-national level.

One of the most important pieces of legislation that has brought this about is *the Grassroots Democracy Decree (GRDD, which was issued in 1998 and amended in 2003*. This decree lays down the necessary conditions to make decision-making more inclusive and responsive to local needs. It declares that people have a right to be informed of government activities that have an impact on their lives, to discuss and contribute to the formulation of certain policies, to participate in local development activities, and to supervise the performance of local governments.

Decentralized local planning

One of the areas in which decentralization is being actively promoted is development planning. Dispatch 2215, signed by

the Minister of Planning and Investment (MPI) and Government's Directive 33 signed by Prime Minister (2004) are official documents that call for the adoption of a bottom-up planning approach.

However, the decentralization process in Vietnam, despite the considerable range of responsibilities being rapidly devolved to local governments, has not been accompanied by a thorough-going process of local capacity building, especially in planning. There is a range of shortcomings and constraints that characterize the current planning processes and practices at local levels:

1. Both strategic and annual plans have been developed by the "traditional" method which is very top-down and centralized in all sectors at all levels. There appears to be little in the way of systematic input from citizens – or indeed from lower levels of the local government system (communes have little say in the district planning process, districts have little say in the provincial planning process). Lower-level plans often depend much on the targets set by the upper levels regardless of whether these are realistic or not. This is contrary to the principle of subsidiarity, which ensures that decisions are as appropriate as possible to local needs. There are rarely any regular mechanisms in place for ensuring a "bottom-up" approach to planning, and no tools are available to facilitate this. Public participation in planning and budgeting is insufficient, especially at the grassroots level. There are also "mindset" issues here – few officials are accustomed to anything other than a top-down approach to planning and budgeting, although everybody insists that the people do need to be consulted.

2. Local planning is not based on sufficient or adequate reliable information. The data used in planning is often inaccurate and of limited value, and is frequently used indiscriminately. Information and data for local planning is derived mainly from information collected by the communes, which is unreliable as they are normally "guessed" rather than "estimated".

3. Local governments do not have clearly defined and distinct planning mandates. There is much confusion as to who is responsible for what, and little in the way of a distinction between functional responsibilities at different levels. In most (if not all) cases, local stakeholders tend to see planning and budgeting as the "business" of the Department of Planning and

Investment (DPI) and Department of Finance (DoF) or other government authorities, but not "your and my" business.

4. There is little in the way of planning coordination between local governments. Each department at each level tends to plan/budget in isolation from the others – which often results in inconsistent and un-coordinated activities. The same situation is observed between local governments at different levels. Notionally, the Department of Planning and Investment (DPI), the Department of Finance (DoF) and – ultimately – the Provincial People's Committee are expected to ensure that there is some degree of coordination between sectors – but none of these bodies is especially well placed to do this. The division of responsibilities between DPIs and DoFs, moreover, is not always conducive to coherence. It is rare that mass organisations, representing groups such as women or farmers, are directly involved in sector planning exercises that concern them; and even rarer that less formal groups (e.g., road users or parents' associations) are consulted about plans and budgets. In short, planning and budgeting are relatively closed affairs and are not conducted in ways that ensure the formal involvement of relevant stakeholders; nor do they foster consistency and coherence.

5. Few if any local officers have undergone the appropriate training to carry out their tasks. Neither are they equipped with a set of guidelines or a toolkit to undertake "bottom-up" planning. There are no tools available that facilitate the involvement of the poorer or more marginalized groups in the planning process – and no special efforts appear to be made to ensure their participation.

As a result, planning is still very formulistic and thus often ineffective. It is regarded as a one-off exercise rather than an ongoing process. Both strategic and annual plans do not reflect the local needs, causing ineffectiveness in resources use. In order to ensure the effectiveness of decentralized expenditures, it is of crucial importance to have a clear and concise plan (both action and budget plans) at the local level. This requires reforms in the planning approach as well as capacity-building in planning.

Many NGOs have adopted participatory planning methods in their development projects. For those NGO-led-projects, they have secured a high level of local participation in different stages of the project cycle from identification of problems to problem

solving and monitoring progress of implementation, and have generated a high level of local ownership of the plan. Such an approach, however, is very time consuming and often requires strong facilitation skills to motivate active participation of voiceless groups.

Several NGOs have tried to mainstream their development effort into local Socio-Economic Development Planning (SEDP) and to advocate for the replication of the methods that they have used. However, not many NGOs have been successful due to low incentives or limited capacity of local governments.

District Development Boards and Territorial Based Rural Development: A tentative start to decentralized rural development in Vietnam

The Territorial Based Rural Development (TBRD) approach is a relatively new way of addressing development problems in rural areas. This approach allows local players to define a development policy based on the territory's particular circumstances, assets (strengths), constraints (weaknesses), needs and opportunities.

The TBRD approach is intended for small rural areas which form a homogeneous unit in physical (geographical), economic and social terms. The areas selected must have sufficient human, financial and economic resources to support a viable development strategy.

In the context of Vietnam's development efforts, the TBRD approach was adopted to accomplish the following objectives, among others:

- ▶ To achieve a more territorially balanced comprehensive/integrated growth pattern in the country, giving rural areas the opportunities to work towards rural poverty reduction and their own development;
- ▶ To facilitate the implementation of democratization and empowerment at grassroots level in rural areas;
- ▶ To help to adapt and implement national sectoral policies at district and commune levels. (TBRD has endeavoured to close the gap between "clerical" processing of applications and "in the field" situation by putting programme administrators in direct contact with the "field", by seeking to shorten decision-making cycles and by providing customized support and guidance for projects, notably by setting up local teams of practitioners to coordinate the work locally.)

Concretely, the TBRD approach consists of the following components:

1. Skills acquisition

This step precedes the development or rural innovation programs in areas where the practice of local development is new. This includes analysis of the local area, motivating and training local people to participate actively in the development process, drawing up a strategy, and funds sourcing.

2. Support for integrated territorial rural development strategies of a pilot nature based on the bottom-up approach and horizontal partnerships.

Support will be given to rural areas which show a willingness and ability to devise and implement an integrated and sustainable pilot development strategy, supported by the presentation of a development plan, based on a representative partnership and structured around a strong theme typical of the identity and/or resources and/or specific know-how of the territory concerned.

The priority themes are:

- ▶ technical support for rural development;
- ▶ vocational training;
- ▶ improving the efficiency and technology in agricultural production;
- ▶ support for rural tourism;
- ▶ support for small businesses;
- ▶ local exploitation and marketing of agricultural, forestry and fisheries products;
- ▶ preservation and improvement of the environment and living conditions;

- ▶ the use of new know-how and new technologies to make the products and services of rural areas more competitive;
- ▶ improving the quality of life in rural areas;
- ▶ adding value to local products, in particular by facilitating access to markets for small production units via collective actions;
- ▶ making the best use of natural and cultural resources, including enhancing the value of sites of community interest.

Piloting TBRD

For several years a team of INSA-ETEA¹ has been carrying out a project of cooperation for development in Vietnam, in collaboration with PACCOM and co-financed by AECI². The activities carried out under this project are covered by a seven year plan the main objective of which is to contribute to improving living conditions in rural areas in Vietnam.

In a visit to Thai Nguyen Province in 2000, INSA-ETEA reached an agreement with the Provincial People's Committee and the Department of Foreign Affairs (responsible for INGOs' activities in the province) to implement a TBRD pilot project in Thai Nguyen Province, specifically in Pho Yen District.



Pho Yen district which lies in the South of Thai Nguyen province is a mountainous district with a total land area of 25,667 hectares. It is divided into three main regions (Region 1, 2 and 3 which are equivalent to lowlands, semi-highlands and highlands).

The district has favorable natural conditions, notably fertile soil which is suitable for the cultivation of high economic value trees (e.g., Tea) and traditional trees (e.g., Mulberry, bamboo).

¹ University Institution for research training and action in development and cooperation

² Spanish Agency for International Cooperation

The per capita income per annum is VND 2,500,000 (USD 170). 45% of the households is poor, earning less than VND 200,000 per month.

Agriculture accounts for 80% of employment in the district. Other services, namely handicraft production, provide only a small fraction of available jobs.

The project covered three areas simultaneously:

- ▶ Institutional strengthening through training and exchange of experience with representatives of public institutions;
- ▶ Training in general in matters of rural development and management of agricultural co-operatives, in collaboration with technical institutions;
- ▶ Technological innovation in different fields, such as drip irrigation of tea on sloping land, handicrafts etc.

Although the project's aims were clearly established, not all the groups and people involved were familiar with these, especially the concept of TBRD itself. This was due to the following reasons:

- ▶ The document describing the project was not publicly disseminated;
- ▶ The project is explained, implemented and financed on a yearly basis (The long-term picture has not been presented.);
- ▶ There is a turnover of people involved in the project.

Hence, this situation could have resulted in a lower level of motivation than desired; inefficiency in the execution of the project; and in certain cases, lack of commitment.

The project had anticipated these problems, and tried to forestall them by conducting a number of training workshops at provincial, district and communal levels to disseminate information on the pilot project, the implementation mechanism, the TBRD approach, etc. Furthermore, INSA-ETEA and local partners paid great attention to setting up and maintaining a long-term mechanism, which encouraged and ensured full and active participation of various stakeholders to

project processes as well as other issues related to community development. One such mechanism was the District Development Board (DDB).

The DDB is a non-profit organization which is composed of capable and motivated members acting as representatives of people from different areas in the district. The Pho Yen DDB is staffed with 20 members, coming from local authorities, mass organizations (Women's Union, Farmers' Association, Youth Union, Veterans' Union, etc) and the private sector (enterprises, cooperatives, etc).

The Pho Yen DDB was responsible for:

- ▶ Working out a rural strategic development plan for Pho Yen;
- ▶ Implementing the development plan;
- ▶ Selecting suitable projects proposed by different actors in Pho Yen;
- ▶ Mobilizing financial resources to implement the development plan and projects;
- ▶ Monitoring and evaluating project implementation;
- ▶ Sharing project lessons.

In order to facilitate the DDB's activities, particularly in regard to technical issues, a technical group was set up. This group consisted of experts, staff members of technical divisions of the district and a contingent of teachers and professors from TUEBA.

Since its establishment two years ago, the model of DDB in Pho Yen has proved to be efficient and effective. Voices and interests of various stakeholders were raised in discussions and decision-making processes. Different groups of people, particularly beneficiaries of the project, were made aware of problems in their area and contributed their ideas, recommendations, and proposed solutions. This facilitated the implementation of the project and brought about other advantages, as follows:

- ▶ Increased level of participation by the beneficiaries. Beneficiary cooperatives or individual persons were given charge of the implementation of activities, with some technical assistance from district experts

or private technical services companies. (Usually, the DPC would be in charge of project implementation.);

- ▶ Timely release of funding;
- ▶ High level of coordination among project partners/ counterparts.

However, a number of difficulties and challenges in project implementation were also noted. These hindered the contributions from stakeholders, especially the beneficiaries:

- ▶ Lack of experience at grassroots level;
- ▶ Lack of appropriate institutional slots so that bottom-up processes can efficiently flourish and be integrated in a coordinated way within top-down policies that are also necessary in the planning of development;
- ▶ Lack of training and appropriate experience in technical management among the groups of participants;
- ▶ Insufficient level of awareness of the project's objectives and global approach;
- ▶ Lack of speedy and flexible procedures and the necessary experience in certain innovative aspects when implementing the different activities contemplated by the project;
- ▶ Insufficient degree of participation in the execution of the activities by the beneficiaries of the same;
- ▶ Quite a lot of the aspects concerned with the implementation of the different activities were only discovered by the INSA-ETEA team by chance or during evaluation, by which time it was too late to take corrective steps;
- ▶ Quite often deadlines were not met, and this was only discovered during sporadic visits by the INSA-ETEA team to the province. Once again, this malfunctioning is not because of lack of goodwill on the part of anyone, but can be blamed on the execution mechanism adopted. The DPC are too busy with important matters that affect the districts to pay the necessary attention to small scale activities;
- ▶ Due to the geographical characteristics of Pho Yen (three different regions), the model of one DDB for the whole district prove to be insufficient and ineff-

ficient. One DDB cannot cover and balance all concerns and interests when developing a strategic development blueprint as well as concrete projects for the district.

Based on the problems and challenges that arose in the implementation of the projects, the following recommendations have been proposed so as to promote participation of various partners and groups of people in the processes of discussion, policy and decision-making:

- ▶ It is necessary to strengthen the working of the DDB. The DDB must be representative, and in order for it to be so, it must become known among the different groups of participants and the population in general by way of meetings, courses etc.
- ▶ The groups of participants should be represented in the DDB by the persons they have elected, and they should be aware of the fact that they can propose individual or collective activities to the DDB for them to study and finance if they can, within the approach for territorial development and the strategic plan for the same.
- ▶ A set of statutes is required that regulates the working of the DDB.
- ▶ Widespread diffusion of the document covering the

formulation of the project on a long-term basis should be ensured.

- ▶ A seminar to publicize the project, especially among the DDB, groups of main participants in the districts, and the public in general, must be conducted.
- ▶ A temporary team of experts (to promote the innovation aspect of the project) from outside the DDB must be maintained to support both the DDB and the beneficiaries in the execution of the activities, until such time as the DDB can put together its own team of experts.
- ▶ Beneficiaries must be encouraged to consult with specialized service companies in the execution of the activities, contributing in this way to the creation of service companies and the diversification of the rural economy.
- ▶ Communications between the INSA-E TEA representative, the DDB and the technical group must be promoted and increased.
- ▶ Two more DDBs must be set up in Pho Yen so that each DDB can take into consideration the concerns and interests of individual regions.

Sources

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