Need for Reform and Governance Capacities in Asia

Country Report Vietnam
**Authors**

**Aurel Croissant** is Professor of Political Science and Vice Dean of Research at the Faculty of Economics and Social Sciences, Ruprecht-Karls-University, Heidelberg. His main research interests include the comparative analysis of political structures and processes in East- and Southeast Asia, the theoretical and empirical analysis of democracy, civil-military relations, terrorism and political violence. Aurel Croissant has published 21 monographs, edited volumes and special issues of German and international journals, and over 150 book chapters and journal articles. His research has been published in German, English, Spanish, Korean, Indonesian and Russian. His articles have appeared in refereed journals such as *Party Politics, Democratization, Politische Vierteljahresschrift, Contemporary Southeast Asia, Asian Perspective, Electoral Studies, Pacific Review, Armed Forces & Society, Studies in Conflict and Terrorism, Terrorism and Political Violence, Zeitschrift für Internationale Beziehungen, Zeitschrift für Politikwissenschaft, Zeitschrift für Vergleichende Politikwissenschaft, Asian Journal of Political Science* and *Japanese Journal of Political Science*.

**Jörn Dosch** is Professor of International Relations and Deputy Head of School (Research) at Monash University, Sunway Campus, Malaysia. He had previously held the Chair in Asia Pacific Studies at the University of Leeds, UK, where he also headed the Department of East Asian Studies. Dosch’s research interests are centered on Southeast Asian politics and the region’s international relations. He also frequently works as a consultant for the European Union, international organizations and transnational NGOs. He has published nearly 100 books and academic papers, including *The Asia-Pacific, Regionalism and the Global System*, (Edward Elgar 2012, edited with Christopher Dent); *The New Global Politics of the Asia-Pacific* (2nd revised edition, Routledge 2011, with Michael Connors and Rémy Davison) and *The Changing Dynamics of Southeast Asian Politics* (Lynne Rienner 2007).

**Carlyle A. Thayer** is Emeritus Professor, the University of New South Wales at the Australian Defence Force Academy in Canberra. He received his PhD in international relations from the Australian National University. He has held senior positions at the Asia Pacific Center for Security Studies in Hawaii, the Australian Command and Staff College, and the Centre for Defence and Strategic Studies at the Australian Defence College. He was the C.V. Starr Distinguished Visiting Professor at the School of Advanced International Studies at Johns Hopkins University in 2005. He is the author of more than 450 publications, including *Southeast Asia: Patterns of Security Cooperation* (ASPI 2010).
Najim Azahaf is a graduate in Social Science and student of the Executive Master of Public Management at the Hertie School of Governance. He has worked as project manager with the Sustainable Governance Indicators project (SGI) at the Bertelsmann Stiftung in Gütersloh, Germany since 2010. He is responsible for the special SGI studies assessing and comparing policy performance and governance capacities in BRICS countries as well in economic powers in Asia. Most pertinent to his commitment to international efforts for good governance and sustainable development was his engagement at the Institute for Development and Peace (INEF). At this think tank, he worked as the assistant to the director for many years. In addition, he gathered practical experience in Germany and abroad by working with several organizations for international cooperation such as the German Agency for Technical Cooperation (GTZ, Nairobi), Capacity Building International (InWEnt), and the German NGO Welthungerhilfe.

Daniel Schraad-Tischler joined the Bertelsmann Stiftung in Gütersloh, Germany in 2008. He heads the Stiftung’s “Sustainable Governance Indicators” (SGI) project, a cross-national comparison of policy performance and governance capacities in the OECD. Daniel Schraad-Tischler holds a PhD in Political Science from the University of Cologne (Faculty of Management, Economics, and Social Sciences) as well as a master’s in Political Science, History and German Literature (Cologne). His main areas of research are good governance, sustainable development, and EU politics, as well as cross-national comparisons of social justice and equality of opportunity. Before joining the Bertelsmann Stiftung, he worked as a research associate at the Jean Monnet Chair for Political Science and European Affairs at the University of Cologne. Daniel Schraad-Tischler also gained project management experience at the European Parliament and at Bayer AG.
### Assessment Overview

#### Status Index

<table>
<thead>
<tr>
<th>Quality of Democracy</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>S 1</strong> Electoral Process</td>
<td>1.1</td>
<td>1.2</td>
<td>1.3</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>S 2</strong> Access to Information</td>
<td>2.1</td>
<td>2.2</td>
<td>2.3</td>
<td></td>
</tr>
<tr>
<td><strong>S 3</strong> Civil Rights</td>
<td>3.1</td>
<td>3.2</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td><strong>S 4</strong> Rule of Law</td>
<td>4.1</td>
<td>4.2</td>
<td>4.3</td>
<td>4.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policy Performance</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>S 5</strong> Economy</td>
<td>5.1</td>
<td>5.2</td>
<td>5.3</td>
<td>5.4</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td><strong>S 6</strong> Labor Market</td>
<td>6.1</td>
<td>6.2</td>
<td>6.3</td>
<td>6.4</td>
<td>6.5</td>
<td>6.6</td>
</tr>
<tr>
<td><strong>S 7</strong> Enterprises</td>
<td>7.1</td>
<td>7.2</td>
<td>7.3</td>
<td>7.4</td>
<td>7.5</td>
<td>7.6</td>
</tr>
<tr>
<td><strong>S 8</strong> Taxes</td>
<td>8.1</td>
<td>8.2</td>
<td>8.3</td>
<td>8.4</td>
<td>8.5</td>
<td>8.6</td>
</tr>
<tr>
<td><strong>S 9</strong> Budgets</td>
<td>9.1</td>
<td>9.2</td>
<td>9.3</td>
<td>9.4</td>
<td>9.5</td>
<td>9.6</td>
</tr>
</tbody>
</table>

#### Economy and Employment

<table>
<thead>
<tr>
<th>Social Affairs</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>S 10</strong> Health Care</td>
<td>10.1</td>
<td>10.2</td>
<td>10.3</td>
<td>10.4</td>
<td>10.5</td>
<td>10.6</td>
<td></td>
</tr>
<tr>
<td><strong>S 11</strong> Social Inclusion</td>
<td>11.1</td>
<td>11.2</td>
<td>11.3</td>
<td>11.4</td>
<td>11.5</td>
<td>11.6</td>
<td>10.7</td>
</tr>
<tr>
<td><strong>S 12</strong> Families</td>
<td>12.1</td>
<td>12.2</td>
<td>12.3</td>
<td>12.4</td>
<td>12.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>S 13</strong> Pensions</td>
<td>13.1</td>
<td>13.2</td>
<td>13.3</td>
<td>13.4</td>
<td>13.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>S 14</strong> Integration</td>
<td>14.1</td>
<td>14.2</td>
<td>14.3</td>
<td>14.4</td>
<td>14.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Security

| **S 15** External Security | 15.1 | 15.2 | 15.3 |  |
| **S 16** Internal Security | 16.1 | 16.2 | 16.3 | 16.4 | 16.5 |  |

#### Resources

| **S 17** Environment | 17.1 | 17.2 | 17.3 | 17.4 | 17.5 | 17.6 |  |
| **S 18** Research and Innovation | 18.1 | 18.2 | 18.3 | 18.4 | 18.5 | 18.6 |  |
| **S 19** Education | 19.1 | 19.2 | 19.3 | 19.4 | 19.5 | 19.6 |  |
### Management Index

#### Executive Capacity

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>M 1 Strategic Capacity</td>
<td>1.1</td>
</tr>
<tr>
<td>M 2 Inter-ministerial Coordination</td>
<td>2.1</td>
</tr>
<tr>
<td>M 3 Evidence-based Instruments</td>
<td>3.1</td>
</tr>
<tr>
<td>M 4 Societal Consultation</td>
<td>4.1</td>
</tr>
<tr>
<td>M 5 Policy Communication</td>
<td>5.1</td>
</tr>
</tbody>
</table>

#### Policy Implementation

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>M 6 Effective Implementation</td>
<td>6.1</td>
</tr>
</tbody>
</table>

#### Institutional Learning

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>M 7 Adaptability</td>
<td>7.1</td>
</tr>
<tr>
<td>M 8 Organizational Reform Capacity</td>
<td>8.1</td>
</tr>
</tbody>
</table>

#### Executive Accountability

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>M 9 Citizens’ Participatory Competence</td>
<td>9.1</td>
</tr>
</tbody>
</table>

#### Legislature

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>M 10 Structures and Resources of Legislative Actors</td>
<td>10.1</td>
</tr>
<tr>
<td>M 11 Legislative Accountability</td>
<td>11.1</td>
</tr>
</tbody>
</table>

#### Intermediary Organizations

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>M 12 Media</td>
<td>12.1</td>
</tr>
<tr>
<td>M 13 Parties and Interest Associations</td>
<td>13.1</td>
</tr>
</tbody>
</table>
Executive Summary

During the period under review (February 1, 2010 – January 31, 2012), the Communist Party of Vietnam (CPV) held its 11th National Party Congress, and national elections were held in May 2011 for the 13th National Assembly (NA). The CPV makes provision for orderly generational change by limiting officeholders to two terms and establishing mandatory retirement ages for senior officials (though exceptions can be made). Although there has been complete turnover in the ranks of top party posts, the new leaders did not initiate any measurable policy changes. Twelve Central Committee members who held ministerial posts in the government were not reelected to their committee seats. Incumbent Prime Minister Nguyen Tan Dung was returned to office for a second term and carried out a reshuffle of his cabinet. Overall, there was marked continuity in government policy in the period under review.

Vietnam’s policy performance record during the assessment period is mixed. Between early 2010 and early 2012, the government achieved some of the policy objectives earlier identified as responses to the global economic downturn of 2007 – 2008 and the Vietnamese economy’s broader structural weaknesses. Monetary policy was tightened, public investment and the fiscal deficit were reduced, and first steps were taken to safeguard the financial system. However, macroeconomic stability remains fragile, and external, fiscal and financial buffers are low. The government did not accomplish its goal of achieving the degree of economic stability that characterizes most other countries in East and Southeast Asia. Inflation rates were by far the highest in the region. Furthermore, a fundamental reform of the state-owned enterprise (SOE) sector has been repeatedly announced, but has not been implemented. SOEs have become a burden on the economy and their reform is crucial in order to reduce risks to the economy and facilitate longer-term growth.

Policies targeted at achieving the Millennium Development Goals (MDGs) have been successful to a large extent. Poverty levels and maternal health figures already meet the standards set by the MDGs. However, this progress is not yet sustainable, and issues of quality, equity and distribution remain a concern. A sizable part of Vietnam’s population lives just above the poverty line, and any major economic crisis or natural disaster is likely to push Vietnam off track.

The normalization of Vietnam’s bilateral relations and the country’s active participation in multilateral settings, in some cases even taking a leadership role, has significantly reduced the number and prevalence of external security risks. During the assessment period, the only notable risk stemmed from Vietnam’s relations with China. The level of internal security was also high. The Vision of Peace Global Peace Index 2011 ranks Vietnam 30th among 153 nations, an indication of a broadly prevailing condition of peace.

The CPV continued its efforts to build a state ruled by law, and inter alia aimed at streamlining government institutions, tackling corruption, and making the state more responsive to public demands – a process that started with the market-oriented Doi Moi reform process in 1986, and which has also had a political and institutional dimension. Increasing the de facto power of the National Assembly has been another key component of the country’s political renovation. No longer simply a rubber stamp body, the NA displayed several instances of increasing assertiveness in its relations with the government during the period under...
review. Moreover, the CPV has continued its gradual shift away from a system of collective leadership toward a cabinet approach and a strengthening of ministerial responsibility within the government.

The central state-party apparatus no longer seems to be in full control of development at the provincial and local levels. The relatively high degree of actual autonomy at the sub-central levels of government has intensified conflicts between the central government and sub-central agencies, and has also created a competition for resources, especially private and foreign investment capital. Although local government autonomy is not acknowledged in the constitution, it is substantial in practice and is supported by a high degree of fiscal decentralization.

Corruption and abuse of office remain among the CPV’s most serious problems. In December 2010, various foreign donors at the annual Consultative Group (CG) for Vietnam complained again about the country’s lack of progress in fighting corruption. Corruption continues to tarnish Vietnam’s international image, as do human rights violations and the restriction of civil rights. The government intensified repression against activists and dissidents in 2011. Bloggers, writers, human rights defenders, land rights activists, religious organizations and other groups were targeted by Vietnamese authorities and faced harassment, intimidation, arrest, torture and imprisonment. A new decree went into effect in February 2011 that gives the government greater power to restrict a media that was already tightly controlled. The decree established harsh fines for writers and editors who publish information which is unauthorized or not in “the interests of the people.” The restrictions also apply to the online media.
Outlook

Developments during the assessment period show that Vietnam is reaching the limits of economic performance within its existing governance structures. Persistent weaknesses such as bureaucratic obstacles will begin to compromise future growth seriously if left unattended. For example, regulatory procedures in Vietnam are often lengthy and complicated. Investment registration and certification procedures are equally difficult. Regulation in Vietnam has suffered from being neither easily accessible nor fully transparent.

While the stimulus package that was launched in the wake of the 2007 – 2008 global economic crisis demonstrated the government’s determination to pull the economy out of the downturn, desired effects have been achieved to only a small extent. Stabilization of the economy through a more decisive approach to sound fiscal and monetary policy, as well as the strengthening of market principles and the reform of the SOE sector, must be given a higher priority. Many SOEs are poorly managed, corrupt and wasteful. Economic and enterprise policies have to date failed to move up the value chain into high-productivity activities and higher-tech goods. Moreover, the government as yet lacks a detailed plan on the implementation of reform aims such as restructuring the state-owned sector, streamlining public investment and improving the transparency of administrative processes.

Among the country’s most pressing issues are the need to amend the land law to extend leases currently about to expire across the country and the necessity of increasing the economy’s competitiveness. The Report on Global Competitiveness 2011 – 2012 ranks Vietnam 65th on the global competitiveness index (GCI) out of a total of 142 countries and territories surveyed, six places down from 2010. Vietnam’s relatively low level of international competitiveness is related to infrastructure that is incapable of meeting economic demands, a budget deficit that remains at a comparatively high 6%, and high inflation that peaked at more than 22% in August 2011.

Competitiveness is also related to education. While the number of university students is expected to increase quickly, the national higher education system is inadequate to this demand. There is no system in place to oversee the quality of the rapidly increasing number of educational programs and institutions being set up to accommodate demand. Overall levels of skill and training within the workforce are seen as unable to meet the growing demands of the country's industrial sector, particularly at the high-value-added end of the production chain.

It is estimated that unless Vietnam boosts its labor productivity by more than half, growth is likely to decrease to below 5% in the coming years – well under the government’s target of 7% to 8%. In this case, by 2020 Vietnam’s economy could be almost a third smaller than if the economy had continued to grow at 7% a year.

Vietnam’s medium-term development prospects would be significantly enhanced by an overhaul of existing labor laws and by improvements to the tax system. More than 79,000 domestic businesses were dissolved in Vietnam in 2011. The inability to make tax payments has been cited as one of the main reasons for bankruptcies, along with a lack of capital, declining purchasing power and difficulties in accessing bank
loans to implement new projects. The increasing number of wildcat strikes during the assessment period demonstrated the shortcomings of the government’s labor market policies. There were 857 strikes in the first 11 months of 2011, more than double the number of strikes in 2010, according to official government statistics. The swift implementation of Labor Code amendments related to salary, employment contracts, maternity leave and labor disputes settlements seems critical. Increasing the quality of laws represents an additional challenge. The Socioeconomic Development Plan (SEDP) 2011 – 2015 underlined the government’s stated commitment to improving the legal system in general and the regulatory environment for business in particular. However, despite strong support by several foreign donor organizations, there has been little evident improvement in the quality of laws and regulations. Nor did the regularity of implementation improve during the course of the assessment period. Generally, the foreign donors’ heavy involvement in Vietnam’s development process has contributed positively to the achievement of policy objectives, as many key economic and socioeconomic policies are supported by donors and linked to benchmarks. However, the role of donors cannot be taken for granted in the future.

Neither can Vietnam hide behind seemingly exemplary achievements in the socioeconomic sphere. Poverty reduction, while successful overall, is uneven across regions and among different population groups. The incidence of poverty among ethnic minority groups remains very high, at more than 50%. Despite foreign donor praise for the government’s commitment to strengthening strategic, legislative and institutional conditions for environmental protection and management, Vietnam has experienced one of the world’s largest growth rates in CO2 emissions during the past two decades – more than four times the Asian average.

The government’s approach to planning is still primarily driven by a vertical, top-down approach. The planning process starts with instructions and frameworks communicated by the central government to lower levels of government. More effort is needed to strengthen the capacities and responsibilities of ministries and subordinate agencies, so as to increase the efficiency and effectiveness of policy implementation. Equally important is the empowerment of the National Assembly, so as to strengthen its oversight and review functions.
Status Index

Quality of Democracy

S 1 Electoral Process
S 2 Access to Information
S 3 Civil Rights
S 4 Rule of Law
How fair are procedures for registering candidates and parties?

Everyone has equal opportunity to become a candidate for election. The registration of candidates and parties may be subject to restrictions only when in accordance with law and if deemed reasonably necessary in a democratic society. This includes protecting the interests of national security or public order, public health or morals, or protecting the rights and freedoms of others.

Legal regulations provide for a fair registration procedure for all elections; candidates and parties are not discriminated against.  

A few restrictions on election procedures discriminate against a small number of candidates and parties. 

Some unreasonable restrictions on election procedures exist that discriminate against many candidates and parties. 

Discriminating registration procedures for elections are widespread and prevent a large number of potential candidates or parties from participating.
There are no democratic elections at the national or local levels. Vietnam is a one-party state with power vested in the Communist Party of Vietnam (CPV) and some dialogue with the legislative National Assembly (NA). Elections to the 13th NA, which is mainly controlled by the CPV through the Vietnam Fatherland Front, took place on May 22, 2011. All eligible Vietnamese citizens had the opportunity to nominate candidates, but the selection process is heavily weighted so as to select only individuals loyal to the one-party regime. The Vietnam Fatherland Front determines the ideal structure of the National Assembly in advance by agreeing on the number of candidates to be chosen by central organizations of the party-state and the number of candidates to be chosen at provincial level. The Vietnam Fatherland Front also determines the ideal structure of the National Assembly in terms of notional quotas for women, ethnic minorities, the military, religious leaders and private entrepreneurs. Candidates approved by the Vietnam Fatherland Front include both party members and non-party members. In addition, any eligible Vietnamese may nominate his- or herself as an independent candidate. All candidates must go through a rigorous selection process, including a pre-selection process requiring them to win a majority of votes in polls conducted both at their place of residence and at their place of work. In 2011, 827 candidates were approved by the Vietnam Fatherland Front, a CPV-controlled umbrella body that includes 29 registered mass organizations and special interest groups, among which the Vietnam Women's Union is the largest. The Vietnam Fatherland Front shapes the electoral outcome by limiting the number of candidates that can stand in multi-member constituencies. For example, if three seats are up for election, the Vietnam Fatherland Front will approve only five candidates to run. Of the 500 deputies in the current National Assembly, 92% are members of the party, while 38 individuals are non-party members and four were self-nominated.
To what extent do candidates and parties have fair access to the media and other means of communication?

Every candidate for election and every political party has equal opportunity of access to the media and other means of communication, which allows them to present their political views and to communicate with the voters. Access to the media may not be restricted or refused on grounds of race, color, gender, language, religion, political or other opinions, national or social origin, property, birth or other status.

All candidates and parties have equal opportunities of access to the media and other means of communication. All major media outlets provide a fair and balanced coverage of the range of different political positions.  

Candidates and parties have largely equal opportunities of access to the media and other means of communication. The major media outlets provide a fair and balanced coverage of different political positions.  

Candidates and parties often do not have equal opportunities of access to the media and other means of communication. While the major media outlets represent a partisan political bias, the media system as a whole provides fair coverage of different political positions.  

Candidates and parties lack equal opportunities of access to the media and other means of communications. The major media outlets are biased in favor of certain political groups or views and discriminate against others.
Apart from the state-owned television’s daily coverage of preparations for NA elections, individual candidates have little opportunity to access the media in order to communicate with the electorate. Candidates are permitted only to issue a short statement providing biographical information and stating general themes. While voters are provided with far more information about the election through the state-controlled media, this information is less focused on informing the public per se than on asserting the legal and procedural basis of the election in order to place it beyond reproach.

Interactions between candidates and voters take place mainly in voter-candidate meetings, during which candidates are required to stand up and present themselves to the electorate while voters increasingly raise difficult questions. Candidates are not permitted to draw up or disseminate any written program or platform.
To what extent do all citizens have the opportunity to exercise their right of participation in national elections?

To participate in national elections, every adult citizen must have the right to access an effective, impartial and non-discriminatory procedure for voting and voter registration. Voting rights also apply to convicts and citizens without a permanent residence in the country. No eligible citizen shall be denied the right to vote or disqualified from registration as a voter, otherwise than in accordance with objectively verifiable criteria prescribed by law, and provided that such measures are consistent with the State’s obligations under international law. Every individual who is denied the right to vote or to be registered as a voter shall be entitled to appeal to a jurisdiction competent to review such decisions and to correct errors promptly and effectively. Every voter has the right of equal and effective access to a polling station or alternative voting method, including a feasible absentee voting option.

All adult citizens can participate in national elections. All eligible voters are registered if they wish to be. There are no discriminations observable in the exercise of the right to vote.

The procedures for the registration of voters and voting are for the most part effective, impartial and nondiscriminatory, although occasional. Citizens can appeal to courts if they feel being discriminated.

While the procedures for the registration of voters and voting are de jure non-discriminatory, cases of discrimination occur regularly in practice.

The procedures for the registration of voters or voting have systemic discriminatory effects. Groups of adult citizens are de facto excluded from national elections.
Voting is compulsory in Vietnam. According to official figures, nearly 62 million people (99.51% of voters) went to the polls during the 2011 NA elections. There is intense competition between ward and commune officials on election day to turn out the highest participation rates possible. This includes broadcasting the names of individuals who have not voted prior to the closure of the polls. It is common in some areas for one member of a family to cast votes for all persons residing together. Vietnamese citizens have their electoral cards stamped when voting, and their participation is routinely included in their curriculum vitae (ly lich) as proof of good citizenship.
To what extent is private and public party financing and electoral campaign financing transparent, effectively monitored and in case of infringement of rules subject to proportionate and dissuasive sanction?

This question refers to the obligations of the receiving entity (parties and entities connected with political parties) to keep proper books and accounts, to specify the nature and value of donations received and to publish accounts regularly.

Please note that this question also includes an assessment of how effectively funding of political parties and electoral campaigns is supervised (monitored by an independent body such as electoral or parliamentary commission, anti-corruption body, audit institution etc. with checking, investigative, sanction and regulatory powers) and infringements are sanctioned (taking into account administrative, civil and criminal liability).

The state enforces that donations to political parties are made public and provides for independent monitoring to that respect. Effective measures to prevent evasion are effectively in place and infringements subject to effective, proportionate and dissuasive sanctions.

The state enforces that donations to political parties are made public and provides for independent monitoring. Although infringements are subject to proportionate sanctions, some, although few, loopholes and options for circumvention still exist.

The state provides that donations to political parties shall be published. Party financing is subject to some degree of independent monitoring but monitoring either proves regularly ineffective or proportionate sanctions in case of infringement do not follow.

The rules for party and campaign financing do not effectively enforce the obligation to make the donations public. Party and campaign financing is neither monitored independently nor, in case of infringements, subject to proportionate sanctions.
Electoral campaign financing is not regulated and is nontransparent. The Vietnam Fatherland Front provides all funds for the conduct of an election. Private campaign funds and financing are not permitted. Candidates do not distribute flyers or pay to print posters.
To what extent are the media independent from government?

This question asks to what extent are the media subject to government influence and the influence of actors associated with the government. The question focuses both on media regulation and government intervention. The rules and practice of supervision should guarantee sufficient independence for publicly owned media. Privately owned media should be subject to licensing and regulatory regimes that ensure independence from government.

Public and private media are independent from government influence; their independence is institutionally protected and respected by the incumbent government.

The incumbent government largely respects the independence of media, but the regulation of public and/or private media does not provide sufficient protection against potential government influence.

The incumbent government seeks to ensure its political objectives indirectly by influencing the personnel policies, organizational framework or financial resources of public media, and/or the licensing regime/market access for private media.

Major media outlets are frequently influenced by the incumbent government promoting its partisan political objectives. To ensure pro-government media reporting, governmental actors exert direct political pressure and violate existing rules of media regulation.
The government controls the entire media sector, which consists of approximately 600 newspapers and 100 radio and TV stations throughout Vietnam. The media is state owned, with this sector including organs produced by mass organizations of the Vietnam Fatherland Front. For example, the Farmers Association, Women’s Union, Youth Union, national army and Communist Party all own newspapers. A new decree went into effect in February 2011 that gives the government even greater power to restrict the media. The decree established fines of up to $1,000 for writers and editors who do not reveal sources of information and fines of up to $2,000 for those who publish information which is unauthorized or not in “the interests of the people.” The restrictions also apply to the online media. The government planned to issue a Decree on the Management, Provision, Use of Internet Services and Information Content Online in June 2012 that would further extend its control of electronically disseminated information. However, during the assessment period, individual journalists and a growing number of bloggers have tested the limits to the freedom of expression and the freedom of the press officially guaranteed by the Vietnamese Constitution of 1992. Some journalists have posted stories on blog sites that they could not publish in the newspapers they work for. This has been successful insofar as they have reported on issues close to the government’s own reform agenda, especially in the area of corruption cases. However, in other cases journalists and bloggers have been charged and sentenced for violating existing legislation. In April 2012, a pioneer of “citizens’ journalism” in Vietnam, Nguyen Van Hai, was risking 20 years in jail for actively defending Internet freedom and exposing censorship laws.
To what extent are the media characterized by an ownership structure that ensures a pluralism of opinions?

This question does not assume that the predominance of either private or public ownership guarantees a pluralism of opinions. Rather, the underlying assumption is that a diversified ownership structure is likely to best represent the views and positions existing in society.

Diversified ownership structures characterize both the electronic and print media market, providing a well-balanced pluralism of opinions. Effective anti-monopoly policies and impartial, open public media guarantee a pluralism of opinions.

Diversified ownership structures prevail in the electronic and print media market. Public media compensate for deficiencies or biases in private media reporting by representing a wider range of opinions.

Oligopolistic ownership structures characterize either the electronic or the print media market. Important opinions are represented but there are no or only weak institutional guarantees against the predominance of certain opinions.

Oligopolistic ownership structures characterize both the electronic and the print media market. Few companies dominate the media, most programs are biased, and there is evidence that certain opinions are not published or are marginalized.

The entire traditional media spectrum – press, television and radio – is controlled by the government. There is no pluralism of opinions on sensitive or proscribed matters. The media regularly prints commentary and interviews with retired officials (and even foreigners) on topical issues. However, the media has emerged as a key battleground between groups of political reformers and conservatives within the CPV. While reformers do not necessarily support the concept of unrestricted press freedom, they do view a freer media as a potentially useful tool for policing corruption and thus minimizing potential sources of popular discontent with party rule. Conservatives perceive even limited press freedom as a serious challenge to the CPV.
To what extent can citizens obtain official information?

To assess the accessibility of government information, you should examine

(1) whether a freedom of information act exists or equivalent legal regulations exist,

(2) to what extent do the rules restrict access to information (e.g., exemptions, deadlines for responding to requests etc.) and justify these restrictions, and

(3) whether mechanisms for appeal and oversight exist to enforce citizens’ right to access information (e.g., administrative review, court review, ombudsman, commission etc.) You may consult www.freedominfo.org for information specific to your country.

Legal regulations guarantee free and easy access to official information, contain few, reasonable restrictions, and there are effective mechanisms of appeal and oversight enabling citizens to access information.

Access to official information is regulated by law. Most restrictions are justified, but access is sometimes complicated by bureaucratic procedures. Existing appeal and oversight mechanisms permit citizens to enforce their right of access.

Access to official information is partially regulated by law, but complicated by bureaucratic procedures and some restrictions. Existing appeal and oversight mechanisms are largely ineffective.

Access to official information is not regulated by law; there are many restrictions of access, bureaucratic procedures and no or ineffective mechanisms of enforcement.
According to Article 69 of the Vietnamese Constitution, citizens “have the right to receive information." In reality, there is no right of access to government information or to basic government records. However, as a matter of policy, all ministries and government offices maintain Web sites containing basic information and directions to key documents. There are also provisions enabling citizens to file their views. A 2005 anti-corruption law gives citizens the right to request information from People's Committees up to the district level, but has little practical relevance. Furthermore, no such right covers information held by national agencies and institutions. In 2009, the government made a high-level commitment to adopt right to information (freedom of information) legislation as a matter of priority, and a team led by the Ministry of Justice has been working on preparing a draft law, but as of the time of writing it remained unclear whether any progress had been made. In general, more information is becoming publicly available, such as budget information provided by the Ministry of Finance and economic information from the general statistics office. However, there is no clear formal process for obtaining government documents. The Public Administration Reform (PAR) master plan, covering a period through 2010, addressed this situation but no significant improvements were made.
To what extent does the state respect and protect civil rights and how effectively are citizens protected by courts against infringements of their rights?

Civil rights contain and limit the exercise of state power by the rule of law. Independent courts guarantee legal protection of life, freedom and property as well as protection against illegitimate arrest, exile, terror, torture or unjustifiable intervention into personal life, both on behalf of the state and on behalf of private and individual actors. Equal access to the law and equal treatment by the law are both basic civil rights and also necessities to enforce civil rights.

All state institutions respect and effectively protect civil rights. Citizens are effectively protected by courts against infringements of their rights. Infringements present an extreme exception.

The state respects and protects rights, with few infringements. Courts provide protection.

Despite formal protection, frequent infringements of civil rights occur and court protection often proves ineffective.

State institutions respect civil rights only formally, and civil rights are frequently violated. Court protection is not effective.
Civil rights are protected only to a limited extent. Article 69 of Vietnam’s constitution stipulates inter alia that “(t)he citizen shall enjoy … the right to assemble, form associations and hold demonstrations in accordance with the provisions of the law.” However, these provisions are rendered practically meaningless by regulations and directives that constrain the peaceful exercise of freedom of association and assembly. Decree 88 provides for strict government control of associations, which effectively serve as agencies of government ministries or the CPV. Vietnamese workers are forbidden to organize unions independent of the government-controlled labor confederation. Decree 38 bans public gatherings in front of places where government, party and international conferences are held, and requires organizers of public gatherings to apply for and obtain advance government permission. During the assessment period, associational rights in the area of policy and public advocacy have been narrowed as a response to a significant increase in wildcat labor strikes. For example, the most recent Decree 45 (2010) adds the proviso “at the request of state agencies” to the right of associations to “participate in programs, projects, studies and counseling and critical comment and examination” (Art. 23(7)), in order to limit the scope of advocacy.

In January 2012, a report by Human Rights Watch found that the government had intensified repression against activists and dissidents in 2011. According to the report, bloggers, writers, human rights defenders, land rights activists, religious organizations and other groups were targeted by Vietnamese authorities and faced harassment, intimidation, arrest, torture and imprisonment. In 2011, 30 activists were charged under what the report calls vaguely worded articles in Vietnam's penal code and sentenced to prison.

According to other independent sources, respect for religious freedom and practice improved during the assessment period. The government has also received international recognition for successfully improving protections for the human and civil rights of ethnic minorities, including the right to benefit from social welfare policies, to engage in political participation, to access educational services and to own property. However, Christian ethnic minorities in the Central Highlands continue to face repression for attempting to conduct religious services in their private homes. Moreover, reports from private American anti-communist advocacy groups indicate that members of Hmong communities in Vietnam near the border with Laos were killed by Vietnamese police and soldiers in May 2011 in a clampdown on Montagnard and Hmong Christians, following large-scale protest for land rights and religious freedom by the Hmong. The Hmong had reportedly gathered to witness a millenarian event. Several Hmong were later tried and convicted for their involvement in this event.

The Vietnamese one-party state does not respect and protect the civil rights of its citizens. Courts are not independent, and do not afford any measure of protection against the state’s infringement of a citizen’s rights.
To what extent does the state concede and protect political liberties?

Political liberties constitute an independent sphere of democracy and are a prerequisite of political and civil society. They aim at the possibility of the formulation, the presentation and the equal consideration of citizens’ preferences and are embodied in the codification and unlimited validity of every individual’s right to speak, think, assemble, organize, worship, or petition without government (or even private) interference or restraints.

<table>
<thead>
<tr>
<th>All state institutions concede and effectively protect political liberties.</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9</td>
</tr>
<tr>
<td>All state institutions for the most part concede and protect political liberties.</td>
<td>8</td>
</tr>
<tr>
<td>There are only few infringements.</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>6</td>
</tr>
<tr>
<td>State institutions concede political liberties but infringements occur regularly in practice.</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Political liberties are unsatisfactory codified and frequently violated.</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

Political liberties are not tolerated by the state-party apparatus. Constitutional guarantees are routinely ignored. The state uses vaguely worded clauses in the Penal Code (conducting propaganda against the socialist state, for example) as justification to repress citizens who attempt to exercise their political liberties.
How effectively does the state protect against discrimination based on gender, physical ability, ethnic origin, social status, political views or religion?

This question evaluates policies of state institutions aimed at preventing discrimination. Such an evaluation should refer to the measures taken by these institutions and their impact. The extent of observable discrimination may be used as an indicator for the efficacy of anti-discrimination policies.

Please note that this question also includes an assessment of how effectively the state protects the rights of disadvantaged persons or persons belonging to minorities by positive discrimination measures, special representation rights or autonomy rights.

State institutions effectively protect against and actively prevent discrimination. 10
Cases of discrimination are extremely rare. 9

State anti-discrimination protections are moderately successful. Few cases of discrimination are observed. 8
7
6

State anti-discrimination efforts show limited success. Many cases of discrimination can be observed. 5
4
3

The state does not offer effective protection against discrimination. 2
Discrimination is widespread in the public sector and in society. 1
All citizens officially have the same rights, but discrimination against individual ethnic minorities and other disadvantaged social groups still occurs due to faulty implementation of national equality laws at the local levels. Overall, despite manifold efforts by the state to reduce discrimination, widely divergent levels of access to health and education services still exist among different provinces and regions, ethnic minorities and socioeconomic groups. Gender inequity has not yet disappeared in Vietnam, and domestic violence, the abuse of women for prostitution and the trafficking of women remain pressing issues. While Vietnam’s achievements in the area of gender equality are in part due to the country’s strong national legal and policy framework, cultural and social expectations mean that women are often unable to enjoy all the rights accorded to them by law or policy. Furthermore, current law and policies do not adequately address some core issues such as migration and domestic violence. Women from ethnic minorities are particularly disadvantaged: At least one in four is illiterate, some 20% of ethnic minority women have never attended school, and ethnic minority women have much higher infant and maternal mortality rates.

According to the UNDP’s Vietnam Human Development Report 2011, Vietnam invests less in social protection than do other countries in the region – 4.1% of GDP in comparison to Asia’s regional average of 4.8% – yet is above average in terms of the number of people receiving social protection. Indeed, an estimated 71% of the poor receive some form of social protection, well above Asia’s average of 56%.
### S 4.1 Legal Certainty

**To what extent do government and administration act on the basis of and in accordance with legal provisions to provide legal certainty?**

This question assesses the extent to which executive actions are predictable (i.e., can be expected to be guided by law).

<table>
<thead>
<tr>
<th>Description</th>
<th>States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government and administration act predictably, on the basis of and in</td>
<td>10</td>
</tr>
<tr>
<td>accordance with legal provisions. Legal regulations are consistent and</td>
<td>9</td>
</tr>
<tr>
<td>transparent, ensuring legal certainty.</td>
<td></td>
</tr>
<tr>
<td>Government and administration rarely make unpredictable decisions.</td>
<td>8</td>
</tr>
<tr>
<td>Legal regulations are consistent, but leave a large scope of discretion</td>
<td>7</td>
</tr>
<tr>
<td>to the government or administration.</td>
<td>6</td>
</tr>
<tr>
<td>Government and administration sometimes make unpredictable decisions that</td>
<td>5</td>
</tr>
<tr>
<td>go beyond given legal bases or do not conform to existing legal regulations.</td>
<td>4</td>
</tr>
<tr>
<td>Some legal regulations are inconsistent and contradictory.</td>
<td>3</td>
</tr>
<tr>
<td>Government and administration often make unpredictable decisions that</td>
<td>2</td>
</tr>
<tr>
<td>lack a legal basis or ignore existing legal regulations. Legal regulations</td>
<td>1</td>
</tr>
<tr>
<td>are inconsistent, full of loopholes and contradict each other.</td>
<td></td>
</tr>
</tbody>
</table>
Vietnam is a one-party state that “rules by law” rather than being itself a government under the rule of law (or law-governed state).

In 2005, the politburo issued a resolution that took a critical view of the legal environment for decision-making. This document noted that “(i)n general, our legal system still has many shortcomings. The system is still not comprehensive and consistent; its viability is still low, and its implementation in practice remains slow. The mechanism for making and amending laws has many deficiencies and is still not properly observed. The speed of law-making activities is slow. The quality of the laws is not high.” Since that time, particularly on the basis of the so-called Legal System Development Strategy (LSDS), the government has sought to implement reform with the aim of building a uniform, consistent, enforceable, open and transparent legal system. The Socioeconomic Development Plan (SEDP) 2011 – 2015 underlines the government’s stated commitment to improve the legal system in general and the regulatory environment for business in particular. However, despite the support of a number of foreign donor organizations, the assessment period saw no strong evidence of significant improvement in the quality of laws and regulations, or in their implementation.
To what extent do independent courts control whether government and administration act in conformity with the law?

This question examines how well the courts can review actions taken and norms adopted by the executive. To provide effective control, courts need to pursue their own reasoning free from the influence of incumbent governments, powerful groups or individuals. This requires a differentiated organization of the legal system, including legal education, jurisprudence, regulated appointment of the judiciary, rational proceedings, professionalism, channels of appeal and court administration.

Independent courts effectively review executive action and ensure that the government and administration act in conformity with the law.  

Independent courts usually manage to control whether the government and administration act in conformity with the law.  

Courts are independent, but often fail to ensure legal compliance.  

Courts are biased for or against the incumbent government and lack effective control.
There is no separation of powers in Vietnam; the legislative, executive and judiciary are combined in a unitary political system. The judiciary is controlled by the CPV. As Vietnam has become increasingly globally integrated, its legal system has undergone some reforms. In general, however, the Vietnamese legal system does not conform to international standards. In addition, Vietnam’s legal system is not sufficiently transparent, and lacks consistency, stability and efficient implementation. Since the early 1990s, official development assistance (ODA) amounting to tens of millions of U.S. dollars has been made available for the support of Vietnam’s legal sector reform, and there was evidence of improvement to the legal system during the assessment period.

During the review period, the government engaged in the implementation of two resolutions on legal matters – Resolution 48 (a strategy for the development and improvement of the Vietnam legal system and vision through 2020) and Resolution 49 (a judicial reform strategy) – which, inter alia, aim at the strengthening of judicial independence. At the same time, an April 2010 document on the formalization of coordination between the judiciary and the executive implicitly rejected the concept of judicial independence, and instead promoted strengthened collaboration between the two branches as imperative in order “to maintain good social order and law enforcement.”

There are few examples of court decisions overturning the actions or interests of state agencies. In a rare case in February 2012, Vietnam's supreme court reversed rulings by lower courts that had approved the eviction of a fish farmer whose armed standoff with police galvanized the nation and earned him widespread sympathy. However, the supreme court's move came only after Prime Minister Nguyen Tan Dung said the attempted eviction of Vuon's family had been illegal.
To what extent does the process of appointing (supreme or constitutional court) justices guarantee the independence of the judiciary?

This question regards supreme or constitutional courts’ sufficient independence from political influence as a prerequisite of a functioning democratic system. The appointment process is a crucial factor which determines judiciary independence.

The prospect of politically “neutral” justices increases accordingly with greater majority requirements and with the necessity of cooperation between involved bodies. A cooperative appointment process requires at least two involved democratically legitimized institutions. Their representative character gives them the legitimacy for autonomous nomination or elective powers. In an exclusive appointment process, a single body has the right to appoint justices irrespective of veto points; whereas in cooperative procedures with qualified majorities independence of the court is best secured.

When answering the question take also into account whether the process is formally transparent and adequately covered by public media. If your country does not have a supreme or constitutional court, evaluate the appointment process of the appellate court that is responsible for citizens’ appeals against decisions of the government.

Justices are appointed in a cooperative appointment process with special majority requirements. 10 □

Justices are exclusively appointed by different bodies with special majority requirements or in a cooperative selection process without special majority requirements. 9 □

Justices are exclusively appointed by different bodies without special majority requirements. 8 □

All judges are appointed exclusively by a single body irrespective of other institutions. 7 □

6 □

5 □

4 □

3 □

2 □

1 □
At the top of Vietnam’s judiciary is the Supreme People’s Court of Vietnam (SPC), the highest court for appeal and review. The head of the SPC is elected by the National Assembly. The SPC reports to the National Assembly, which controls the judiciary’s budget and confirms the president’s nominees to the SPC and the Supreme People’s Procuracy of Vietnam. The Supreme People’s Procuracy issues arrest warrants, sometimes retroactively. Below the SPC are district and provincial people’s courts, military tribunals, and administrative, economic, and labor courts. The people’s courts are the courts of first instance. People’s court judges are appointed to five-year terms by panels of local officials (including local government leaders) with no public oversight. Overall, the procedure for selecting judges at the national and subnational levels is characterized by a lack of transparency. According to the Global Integrity Report’s Vietnam scorecard, judges are invariably under the influence of CPV leaders or government officials: “Even if they were so inclined, they could not work independently and render justice based on the merits of the case. Verdicts are often pre-decided before the case is tried.” Senior judges are expected to pass a qualification assessment, usually administered by the CPV’s Ideological Academy. “Determination to protect socialist legality” is as important a selection criteria for judges as is the requirement to have a law degree, the latter of which can be gained through in-house training. A university law degree is not a strict requirement.
To what extent are public officeholders prevented from abusing their position for private interests?

This question addresses how the state and society prevent public servants and politicians from accepting bribes by applying mechanisms to guarantee the integrity of officeholders: auditing of state spending; regulation of party financing; citizen and media access to information; accountability of officeholders (asset declarations, conflict of interest rules, codes of conduct); transparent public procurement systems; effective prosecution of corruption.

Legal, political and public integrity mechanisms effectively prevent public officeholders from abusing their positions. 10 □

Most integrity mechanisms function effectively and provide disincentives for public officeholders willing to abuse their positions. 8 □

Some integrity mechanisms function, but do not effectively prevent public officeholders from abusing their positions. 5 □

Public officeholders can exploit their offices for private gain as they see fit without fear of legal consequences or adverse publicity. 2 □
The Communist Party has a Committee on Inspection and Control as well as a separate internal security affairs unit tasked with investigating and reporting on corruption by party members. Corruption and abuse of office remain among the CPV’s most serious problems. In line with frequent similar statements by high-ranking politicians, outgoing CPV General Secretary Nong Duc Manh addressed corruption and wastefulness as one of the party’s main challenges in his opening speech at the 11th Party Congress in January 2011. Party leaders regularly acknowledge that corruption and rampant abuse of power has held Vietnam back. Citizens’ complaints about official corruption, governmental inefficiency and opaque bureaucratic procedures are common. In June 2009, Vietnam ratified the U.N. Convention Against Corruption, which outlawed the taking of bribes from domestic sources or from foreign public officials, and put a legislative framework in place to increase effectiveness in addressing issues related to the integrity of officeholders. Whereas the government’s attempts to punish corrupt officials indicate that the government takes graft seriously, they also underscore the pervasiveness of the problem. In December 2010, various foreign donors at the annual Consultative Group (CG) for Vietnam complained about the country’s lack of progress in fighting corruption. According to a report by the National Steering Committee on Prevention and Control of Corruption (CPCC), more than 11,500 party members were found to have violated party resolutions relating to corruption between 2007 and 2012. In 2,953 cases, disciplinary action was taken. Four members of the Party Central Committee, 17 local party secretaries and members of party cells were investigated, and thousands of violators sent to trial. In 2011, the government’s inspection office stepped up efforts to enhance anti-corruption measures, boost education in this area and collaborate with other state agencies. The inspection office also intensified measures to inspect the operations of government agencies and organizations as well as itemize property belonging to state officials and employees. Undisclosed “special measures” were announced to verify unpublicized property and incomes.
Status Index

Policy Performance

Economy and Employment
S 5 Economy
S 6 Labor Market
S 7 Enterprises
S 8 Taxes
S 9 Budgets

Social Affairs
S 10 Health Care
S 11 Social Inclusion
S 12 Families
S 13 Pensions
S 14 Integration

Security
S 15 External Security
S 16 Internal Security

Resources
S 17 Environment
S 18 Research and Innovation
S 19 Education
How successful has economic policy been in providing a reliable economic framework and in fostering international competitiveness?

This question addresses the existence of a government’s general strategy to support the future-oriented development of its economy through regulatory policy. Sound economic policy is expected to adhere to the following principles: clear-cut assignment of tasks to institutions, refraining from unnecessary discretionary actions, frictionless interlinkage of different institutional spheres (labor market, enterprise policy, tax policy, budgetary policy) and the coherent set-up of different regimes (e.g. dismissal protection, co-determination rights, efficiency of anti-monopoly policies, income taxation). Countries following these principles are able to increase overall productivity, become more attractive for internationally mobile factors of production and thus raise their international competitiveness. When answering the question, focus on the use and interplay of different regimes with regard to the aims of economic policy.

Economic policy fully succeeds in providing a coherent set-up of different institutional spheres and regimes, thus stabilizing the economic environment.

It largely contributes to the objectives of fostering a country’s competitive capabilities and attractiveness as an economic location.

Economic policy largely provides a reliable economic environment and supports the objectives of fostering a country’s competitive capabilities and attractiveness as an economic location.

Economic policy somewhat contributes to providing a reliable economic environment and helps to a certain degree in fostering a country’s competitive capabilities and attractiveness as an economic location.

Economic policy mainly acts in discretionary ways essentially destabilizing the economic environment. There is little coordination in the set-up of economic policy institutions. Economic policy generally fails in fostering a country’s competitive capabilities and attractiveness as an economic location.
Vietnam today is a market-based economy with fewer monopoly product and service markets than in previous decades. Nonetheless, the government privileges the role of state-owned enterprises through the provision of special bank loans and other policies. Privatization, which has made significant progress in general but advanced little during the assessment period, also exposes firms to greater competition. Having to compete with other firms for customers and market share stimulates greater efficiency and profitability.

However, the Report on Global Competitiveness 2011 – 2012 by the World Economic Forum (WEF) ranks Vietnam only 65th on the global competitiveness index (GCI) out of a total of 142 countries and territories surveyed, six places down from 2010. The 12 pillars of competitiveness included in this report were institutions, infrastructure, macroeconomic environment, health care and primary education, higher education and training, goods market efficiency, labor market efficiency, financial market development, technological readiness, market size, business sophistication and innovation. The only pillar in which Vietnam showed progress was that of macroeconomic environment, rising 20 places as compared to 2010, while dropping in 10 of the other categories. The reasons for Vietnam’s relatively low international competitiveness during the assessment period are related to an infrastructure incapable of meeting economic demands, a comparatively high budget deficit of 6%, and inflation. During the assessment period, Vietnam showed Asia’s highest inflation rate, rising from about 8% in February 2008 to a peak of 22% in August 2011 – a fact government censors asked local journalists to stop reporting – before recommencing a gradual decline. Thousands of businesses have gone bankrupt, property prices have collapsed, and banks and state-owned enterprises (SOEs) are riddled with bad debts. Overall, macroeconomic policy is a considerable weakness for the country. Fiscal policy is further hampered by high structural deficits in the government sector. In general, the country ranks at the bottom 45% of world countries in terms of global competitiveness, and its position has declined.

The McKinsey consulting firm argues that unless Vietnam boosts its labor productivity by more than half, growth is likely to decrease to below 5% in coming years, well short of the government’s target of 7% to 8%. By 2020, Vietnam’s economy could be almost a third smaller than if the economy had continued to grow at 7% a year.

Vietnam’s GDP increased by more than 8% a year from 2003 to 2007, driven in part by a surge of foreign investment. However, complex and often opaque administrative procedures continue to be major barriers for investors entering the Vietnamese market. Regulatory procedures in Vietnam are often lengthy and complicated. For example, investors trying to acquire land use rights have to go through time-consuming formalities. Investment registration and certification procedures are equally difficult. Regulation in Vietnam has suffered from being neither easily accessible nor fully transparent.

Vietnam also lacks an effective audit mechanism. Existing provisions were recently suspended for Vinashin, the national shipbuilder, with the justification that an audit would be unfair in the context of a global financial crisis.
How effectively does labor market policy in your country address unemployment?

This question addresses a government’s strategies to reconcile the following objectives: unemployment reduction and job security, and balancing supply and demand on the labor market by providing sufficient mobility of the labor force according to the needs of potential employers. To assess labor market policy comprehensively, special emphasis should be placed on the positive or detrimental effects resulting from labor market regulation (e.g., dismissal protection, minimum wages, collective agreements) and from the modus operandi of unemployment insurance.

Successful strategies ensure unemployment is not a serious threat.  

\[ \begin{array}{c} \text{10} \square \text{9} \square \end{array} \]

Labor market policies have been more or less successful.

\[ \begin{array}{c} \text{8} \square \text{7} \square \text{6} \square \end{array} \]

Strategies against unemployment have shown little or no significant success.

\[ \begin{array}{c} \text{5} \square \text{4} \checkmark \text{3} \square \end{array} \]

Labor market policies have been unsuccessful and unemployment has risen.

\[ \begin{array}{c} \text{2} \square \text{1} \square \end{array} \]
Vietnam has a relatively high employment-to-population ratio, with 77.3% of those aged 15 and above in employment in 2011, an increase of about 1% as compared to 2010. The unemployment rate was 4.43% in urban areas and 2.27% in rural areas in 2011. Compared to the previous year, the country’s unemployment rate decreased by 0.02%, with urban areas down 0.17% and rural areas showing a rise of 0.02%. An unemployment insurance scheme designed to provide financial assistance to unemployed workers was launched only in 2009. The workforce has grown at a higher rate than has employment. In 2011, Vietnam had 46.21 million people of working age (15 or older), an increase of 2.12% year-on-year.

The largest sector of employment in Vietnam remains agriculture, forestry and fisheries, with employment of nearly 23 million. Yet this figure has declined steadily in the recent past, and there is evidence for a structural shift within Vietnam’s labor market away from relatively low productivity, labor-intensive agricultural jobs towards higher-value-added and more technology- and capital-intensive industries and service sectors. The share of workers in the agriculture, forestry and fisheries sector decreased from 51.9% in 2009 to 48.2% in 2010, while that of workers in the industry and construction sectors increased from 21.6% to 22.4%. The service sector similarly rose from 26.5% to 29.4%, testifying to the success of government policies aiming to expand the skilled labor force.

At the same time, the growing number of wildcat strikes during the assessment period showed the shortcomings of the government’s labor market policies. There were 857 strikes in the first 11 months of 2011, more than double the number of strikes in 2010, according to official government statistics. Strikes increased not only because of high inflation – usually given as the official explanation – but also because many companies do not abide by labor laws, including many that do not sign labor contracts with staff, fail to pay social insurance and do not offer leave to employees. The government has responded with amendments to the Labor Code related to salary, employment contracts, maternity leave and labor dispute settlements. The draft amendments were still under discussion in early 2012, as was the possible formation of a National Salary Council consisting of representatives from employers, employees and state management agencies.

Official statistics do not take underemployment into account.
How successful has enterprise policy been in fostering innovation, entrepreneurship and economic competitiveness, and in stimulating private investment?

Private investment includes not only the acquisition of capital stock, but also entrepreneurial transactions aimed at investment, such as developing human capital, the restructuring of companies, establishing new companies, etc.

Enterprise policy has been successful in achieving the objectives of fostering innovation, entrepreneurship and economic competitiveness, and stimulating private investment.  

Enterprise policy has largely achieved these four objectives.

Enterprise policy has partly achieved these four objectives.

Enterprise policy has not achieved the objectives of fostering innovation, entrepreneurship and economic competitiveness, and stimulating private investment.
A privatization program begun in 1992 has long been at the core of the government’s strategy to foster competitiveness and innovation. Approximately 4000 enterprises have placed into the private sector, but the process has stalled since the global financial crisis of 2007 – 2008, and privatization targets have not been met since 2009. In May 2011, the government attempted to reignite the privatization program with the part-privatization of Vietcombank, which is 90.7% owned by the state. While the number of state-owned companies (SOE) has been reduced from around 12,000 to approximately 1,700, SOEs still contribute 60% of Vietnam’s GDP. Generally, the equitization process reflects the government’s decision to restructure the economy, increase innovation and competitiveness and to force enterprises to survive on their own or go bankrupt if they incur losses. However, any increase in innovation and competitiveness is primarily related to external factors rather than the government’s enterprise policy. The pressure of competition in the marketplace has increased sharply, especially due to Vietnam’s WTO membership and the fact that the once-successful formula of low-wage, low-cost manufacturing no longer works as it did some years ago. Countries such as Cambodia and Bangladesh have now undercut Vietnam in terms of cheap manufacturing. While privatized firms have been forced to restructure or adjust their organizational culture in order to cope with market competition, these forces have not necessarily applied to SOEs, many of which are poorly managed, corrupt and wasteful. Economic and enterprise policies have so far failed to push production up the value chain into high-productivity activities and higher-tech goods. According to Vietnam expert Carl Thayer, the government lacks a detailed plan for implementing reforms such as the restructuring of the state-owned sector, streamlining public investment and improving the transparency of administrative processes.

In December 2011, the Ministry of Finance issued measures restructuring the SOE sector so that nonfinancial groups and corporations would be banned from investing in finance, banking, securities, insurance and real estate. SOEs which have invested in sectors outside their core business will be forced to withdraw all such capital before 2015. The new approach also includes speeding up SOE privatization and the implementation of incentives designed to attract major domestic and foreign strategic investors. For the time being, factors such as the use of obsolete technology, environmental pollution, poor infrastructure, inconsistent investment policies and the shortage of high-quality human resources have constrained private investment in the Vietnamese economy, particularly in the high-tech sector. Yet despite these shortcomings, Vietnam is perceived to be the second most attractive investment destination in ASEAN (behind Indonesia), according to a 2012 survey by the ASEAN Business Advisory Council (ABAC).

The very fact that reform of state-owned enterprises is back on the national agenda is a reflection of the failure of policies in this area during the period under review.
To what extent does taxation policy realize goals of equity, competitiveness and the generation of sufficient public revenues?

The objectives of justice and allocative efficiency suggest that taxation policies do not discriminate between different groups of economic actors with similar tax-paying abilities, such as corporate and personal income taxpayers (horizontal equity). Tax systems should also impose higher taxes on persons or companies with a greater ability to pay taxes (vertical equity). Tax rates and modalities should improve or at least not weaken a country’s competitive position. However, tax revenues should be sufficient to ensure the long-term financing of public services and infrastructure. “Sufficiency” does not assume any specific ideal level of public expenditure, but refers only to the relationship between public revenues and expenditures.

| Taxation policies are equitable, competitive and generate sufficient public revenues. | 10 □ |
| Taxation policies fail to achieve one of the three principles. | 8 □ |
| Taxation policies fail to achieve two of the three principles. | 5 □ |
| Taxation policies fail to realize the following three principles: equity, competitiveness and the generation of sufficient public revenues. | 2 □ |
According to the Heritage Foundation’s 2012 Index of Economic Freedom, Vietnam’s tax revenue accounts for 13.8% of GDP, which puts the country roughly on par with most other ASEAN countries (Malaysia 15%, Philippines 14.4%, Singapore 14.2%, Indonesia 12%). At the same time, the World Economic Forum’s Financial Development Report 2010 places Vietnam at the bottom of its “tax evasion and avoidance” index in Asia. Vietnam achieved the lowest possible score of 1, meaning that tax evasion is common.

Vietnam’s tax rate on corporate income is higher or equal to that of economies at higher levels of development. The country's 25% tax rate on corporate income (reduced from 28% in 2008) is still higher than that of Singapore (18%) and equivalent to the rate in China, Hong Kong and Taiwan. However, the competitive capacity of businesses in these countries is higher than that of Vietnamese businesses. In addition, unclear regulations on tax payments between enterprises and complex tax procedures have caused difficulties for businesses, leading to high expenses and in many cases preventing them from promoting products and developing trademarks. At the same time, tax collection from land, real estate and mining activities has clearly been below its potential. The third phase of Vietnam’s tax reform, completed in 2010, was driven by the objectives of achieving an adequate level of revenue, ensuring fairness and equity, and contributing to the process of tax administration reform. It resulted in some streamlining of tax legislation and the taxation system, but the actual impact remains to be seen.

Reports by the Vietnam Chamber of Commerce and Industry and the World Bank estimate that more than 79,000 domestic businesses were dissolved in Vietnam in 2011. The inability to make tax payments has been cited as one of the main reasons for bankruptcies, along with the lack of capital, falling purchasing power and difficulties in accessing bank loans for the implementation of new projects.

In early 2012, the General Department of Taxation (GDT) estimated that only 400,000 out of a total of 600,000 businesses licensed for operation could still afford to pay taxes.

In general, Vietnam has an extremely inefficient system for collecting income taxes and detecting tax evasion.
To what extent does budgetary policy realize the goal of fiscal sustainability?

This question focuses on the aggregate of public budgets and does not assess whether budgets reflect government priorities or induce departments to manage efficiently. Sustainable budgeting should enable a government to pay its financial obligations (solvency), sustain economic growth, meet future obligations with existing tax burdens (stable taxes) and pay current obligations without shifting the cost to future generations (inter-generational fairness).

Budgetary policy is fiscally sustainable.

- 10 □
- 9 □

Budgetary policy achieves most standards of fiscal sustainability.

- 8 □
- 7 □
- 6 □

Budgetary policy achieves some standards of fiscal sustainability.

- 5 □
- 4 □
- 3 □

Budgetary policy is fiscally unsustainable.

- 2 □
- 1 □
Vietnam’s economic fundamentals remained relatively weak during the assessment period, characterized by a serious fiscal and trade deficit and low overall efficiency in investments, especially public investments. The stimulus package launched in the wake of the 2007 – 2008 crisis, though relatively small compared to those of several other countries, demonstrated the government’s determination to pull the economy out of the global downturn. The government has tightened its fiscal policy by cutting public expenditure, reducing the budget deficit, reducing (particularly SOE-focused) public investment, assigning a higher priority to investment in higher-value sectors, and combining fiscal policy with monetary policy in a more rigorous way. Inefficient public investment projects have been cancelled, and new projects postponed. However, the desired effects have by and large not been achieved. Vietnam achieved a value of 4.5 in the World Bank’s Country Policy and Institutional Assessment (CPIA) fiscal policy rating for the 2007 – 2011 period, which is above average for the surveyed countries (mainly low and middle-income nations). The CPIA assesses the short- and medium-term sustainability of fiscal policy, taking into account monetary and exchange rate policy and the sustainability of the public debt, as well as its impact on growth. The scale runs from 1 (low sustainability) to 6 (high sustainability).
How effective and efficient are health care policies in your country?

Public health care policies should aim at providing high-quality health care for the largest possible share of the population and at the lowest possible costs.

Of the three criteria – quality, inclusiveness and cost efficiency – efficiency should be given less weight if the first two criteria can be considered fulfilled.

<table>
<thead>
<tr>
<th>Description</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health care policies provide high-quality health care for a majority of the population and services are efficiently organized.</td>
<td>10 □</td>
</tr>
<tr>
<td>Health care policies provide high-quality health care for a majority of the population, but services are inefficiently organized.</td>
<td>8 □</td>
</tr>
<tr>
<td>Health care policies provide poor-quality health care for a majority of the population and services are inefficiently organized.</td>
<td>5 □</td>
</tr>
<tr>
<td>Health care policies provide poor-quality health care for a majority of the population. Health care services are underfinanced, overloaded, unreliable and inefficiently organized.</td>
<td>2 □</td>
</tr>
</tbody>
</table>

Note: □ indicates the selected score.
Along with Ghana, Vietnam was identified as a “star performer” in efforts to reach the Millennium Development Goals (MDGs) in the area of health care (child health, maternal health and addressing HIV/AIDS), according to a 2010 report by the Overseas Development Institute (ODI), a British think tank. A contemporaneous study by the U.N. Economic-Social Commission for Asia and the Pacific (ESCAP) comes to similar conclusions: Vietnam has taken the lead in the Asia-Pacific region in terms of the number of MDGs carried out on schedule.

Vietnam’s health indicators are better than would be expected for a country at its development level, and continue to improve at rates that equal or surpass those in most neighboring countries. The country has made impressive progress in addressing child health issues by reducing infant mortality and mortality rates for children under five years of age. Progress in controlling vaccine-preventable diseases, such as measles, diphtheria and tetanus, has also been rapid; polio was completely eradicated in 1996.

There has also been considerable success in the distribution of health insurance or health care cards to ethnic minority communities. During the assessment period, nearly 80% of ethnic minority households either had access to free health insurance or a health care card. This high proportion reflects rapid improvement in the last two years alone, and represents a dramatic transformation over the last eight years.

However, many individuals still fall through the safety net, and the health card system’s coverage is far from what was originally envisaged. Over time, new policy tools have been developed, including user fees and health-insurance and health-care funds for the poor. These tools all focus on the financing of health, but fail to merge into a coherent health financing system. The availability of good-quality health care at the grassroots or commune level remains low, and even the poor often resort to private clinics, resulting in ruinous out-of-pocket payments. This scarcity also contributes to overcrowding at district- and especially at provincial-level facilities. While there is evidence that the Health Care Fund for the Poor increased poor people’s utilization of health facilities, there remain serious coverage gaps for the poor under the (successor) Health Insurance Fund.

Vietnam spends between 5% and 6% of GDP ($5 billion to $6 billion) per year for health care. However, this has proved insufficient to improve the health care sector further, especially with respect to the quantity and quality of hospitals. Plans to stimulate private investment in the health sector through public-private partnerships (PPP) have been only partially successful.
To what extent does social policy in your country prevent exclusion and decoupling from society?

Reducing the various risks of social exclusion is a core task of social policy. The prevention of poverty and the provision of enabling conditions for equal opportunity in society are essential elements of such a policy. In addition to poverty, please take also into account additional dimensions of exclusion like the experience of marginalization and the desire to be appreciated when evaluating socioeconomic disparities.

| Policies very effectively enable societal inclusion and ensure equal opportunities. | 10 □ |
| For the most part, policies enable societal inclusion effectively and ensure equal opportunities. | 8 □ |
| For the most part, policies fail to prevent societal exclusion effectively and ensure equal opportunities. | 5 □ |
| Policies exacerbate unequal opportunities and exclusion from society. | 2 □ |

Vietnam has made notable progress in poverty reduction, an achievement that was recognized at the September 2010 Millennium Summit and several other international meetings held during the assessment period. Vietnam’s poverty rate declined significantly from 15.5% in 2006 to 9.5% in 2010 (the most recent data available), mainly as a result of the country’s rapid economic growth and improved social welfare programs. The UNDP cautions that poverty rates are likely to be underestimated due to relatively low poverty thresholds by international standards (increased in 2011 by the Vietnamese government, however) and the exclusion of key vulnerable groups from national surveys. Furthermore, selected groups remain vulnerable to poverty. Poverty is strongly correlated with geographic location and ethnicity as well as with nonmonetary deprivations including lower living standards and poorer health and education status. Poverty reduction has been equally uneven across regions and among different population groups. The poverty incidence among ethnic minority groups remains very high at more than 50%. Poverty is highest in the northern midlands and mountainous
areas and lowest in the southeast. One in two ethnic minority community members lives in poverty, as compared to one in 11 of the Kinh majority. However, the inclusion of ethnic minorities in the political and socioeconomic spheres and – despite remaining deficiencies and shortcomings – these individuals’ access to health care and education has further improved during the assessment period.

The inequality of income distribution has increased slightly in the past three to four years. Vietnam’s Gini coefficient stood at 37.80 in 2011, as compared to 34.40 in 2008. However, the development of the Gini index value has not been linear: Assessed at 35.68 in 1992, it reached 37.55 in 2001 (similar to the current level), and peaked at 39.16 in 2004 before again decreasing. Based on this data, Vietnam has one of the lowest levels of income inequality in Southeast Asia; only Laos achieved a slightly lower coefficient than Vietnam.
To what extent do family support policies in your country enable women to combine parenting with participation in the labor market?

Traditional family patterns confine mothers to opt out of gainful employment and focus on household and child care work, a division of roles that has lost acceptance among an increasing number of women. This question is based on the assumption that an optimal system of family support should enable women to decide freely whether and when they want to remain full-time mothers or take up full- or part-time employment.

| Family support policies effectively enable women to combine parenting with employment. | 10 □ |
| Family support policies provide some support for women who want to combine parenting and employment. | 9 □ |
| Family support policies provide only few opportunities for women who want to combine parenting and employment. | 8 □ |
| Family support policies force most women to opt for either parenting or employment. | 7 □ |

| 6 □ |
Vietnam has made good progress toward gender equality, with gender gaps having been reduced particularly effectively within the primary- and lower-secondary-level spheres of education. Equity is reasonably well protected within the family context (although some traditional practices sustain male domination), but important challenges remain both socially and economically. Vietnam ranks 48th out of 128 countries on the 2011 Gender Inequality Index, indicating lower inequality than some countries in the category of “very high human development,” including Chile and Argentina. Indeed, Vietnam ranks only one position below the United States. The index value of 0.305 in 2011 decreased markedly from 0.350 in 2000, indicating a decline in gender inequality.

Women play an important role in the Vietnamese economy, accounting for 46.6% of the active workforce. However women are concentrated in informal, vulnerable types of employment. According to the most recent government data available, 24.2% of women are in non-farm wage employment, compared to 35.5% of men. About 53% of all employed women are unpaid workers in the family business, compared with 32% of men. Women in the informal sector have lower wages, lower skill levels, and more limited access to skill development and training than do men. Women’s dual responsibilities for care-giving and domestic work, as well as for income generation, constrain their ability to participate in paid employment, particularly within the formal sector. In order to support women’s participation, structural inequalities in areas such as access to training opportunities or the holding of land use certificates need to be addressed, and a comprehensive social protection system put in place. The latter is also important with respect to the fact that life expectancy rates are rising, standing currently at 70.2 years for men and 75.6 years for women. As family structures change and people live longer, Vietnam can expect to see more and more elderly people living alone, a majority of which will be women. In April 2012, the United Nations urged Vietnam to equalize the retirement age for men and women, and to elevate women to decision-making positions.

The Vietnam Women’s Union, a key member of the Vietnam Fatherland Front, plays a major role in the promotion of gender equality and family support policies.
**S 13 Pensions**  
*Category: Social Affairs*

**S 13.1 Pension Policy**

To what extent does pension policy in your country realize goals of poverty prevention, inter-generational equity and fiscal sustainability?

An optimal pension system should prevent poverty among the elderly due to retirement and should be based on distributional principles that do not erode the system’s fiscal stability. It should ensure equity among pensioners, the active labor force and the adolescent generation. These objectives may be achieved by different pension systems: exclusively public pension systems, a mixture of public and private pension schemes, or publicly subsidized private pension plans. Accumulating public and private implicit pension debt is undesirable.

<table>
<thead>
<tr>
<th>The pension policy is fiscally sustainable, guarantees inter-generational equity and effectively prevents poverty caused by old age.</th>
<th>10 ☑</th>
</tr>
</thead>
<tbody>
<tr>
<td>The pension policy fails to realize one of these three principles.</td>
<td>8 ☐</td>
</tr>
<tr>
<td>The pension policy fails to realize two of these three principles.</td>
<td>5 ☐</td>
</tr>
<tr>
<td>The pension policy is fiscally unsustainable, does not effectively prevent old-age poverty and fails to achieve inter-generational equity.</td>
<td>2 ☘</td>
</tr>
</tbody>
</table>
Vietnam is still a young economy, with only 8% of the total population aged 60 and over. However, it will face issues of aging similar to those of other countries in the coming decades. Population projections indicate that the elderly population will increase its share significantly in the decades to come, reaching 26.1% in 2050.

The old-age pension program in Vietnam is a component of a social insurance system that has been in operation since 1962. In 1995, administrative and financial management difficulties associated with the growing private sector forced the government to reform the program. This led to the establishment of a publicly managed pay-as-you-go (PAYG) defined-benefit program in 1995, which is managed by the Vietnam Social Security agency under the guarantees of the government. The 2006 Law on Social Insurance provides the legal basis for the current form of the program, which is mandatory for workers holding formal contracts, including public servants and government employees, employees having labor contracts of a duration longer than three months, military and police officers, and employees of the CPV.

The current program’s coverage is almost universal, but the system lacks equality. For example, the financial return is not constant: Even if making the same amount of contributions, men and women are not entitled to the same benefits. Similarly, the financial return does not increase regularly with the length of contribution. The returns obtained by participants with less than 20 years in the system are very low, as participants are entitled only to a lump sum payment at retirement. There is a large step increase when participants have contributed 20 years, and are thereafter entitled to receive a pension. And even an employer who contributed to the scheme for more than 30 years will be able to pay for retirement benefits for only six to eight years, while the average life expectancy at retirement is about 15 years.

Several studies have been conducted on the pension program, and most have found that the pension fund will be financially depleted by around 2050 under the current regulations.
How effectively do policies in your country support the integration of migrants into society?

This question covers integration-related policies comprising a wide array of cultural, education and social policies insofar as they affect the status of migrants or migrant communities in society. The objective of integration precludes forced assimilation but favors integration by acquisition of nationality.

Cultural, education and social policies effectively support the integration of migrants into society.

Cultural, education and social policies seek to integrate migrants into society, but have failed to do so effectively.

Cultural, education and social policies do not focus on integrating migrants into society.

Cultural, education and social policies segregate migrant communities from the majority society.
Inward migration is of little significance in Vietnam. Immigration records are not available in any statistical publication. Although the number of foreigners has risen constantly in recent years, the absolute totals remain very small. The majority of foreigners living in Vietnam work for international organizations. However, the country has one of the world’s largest outward migration flows. Around 4 million Vietnamese are today living abroad, mostly in North America, Europe and other Asian nations. Vietnam receives an annual average of $2 billion in remittances from overseas Vietnamese. The World Bank ranks Vietnam 16th out of the 20 countries worldwide that receive the most remittances from overseas immigrants. Vietnam does not encourage immigration as a part of national policy, whether for development or for other purposes. To the extent that Vietnam permits immigration, its policies stress integration rather than segregation.
How effectively does external security and defense policy in your country protect citizens against security risks and safeguard the national interest?

This question rests on the assumption that the aims of protecting citizens against security risks and safeguarding the national interest can be achieved by many different ways and combinations of security and defense policies. In addition a combination of various domestic and external policies can achieve an effective protection against new security risks arising from threats like terrorism. On the one hand the effectiveness of these policies depend on the relation between the aims and strategies of the defence policy and the way the military forces are financed, fitted with high-tech and state-of-the-art equipment and supported by a national consensus on the desired defense policy. On the other hand the membership in collective security alliances/organizations/treaties, the internal integration of domestic intelligence communities and their cooperation with regional/international counterparts, the promotion of neighbourhood stability, conflict prevention and assistance/risk containment for failed states are necessary pre-conditions to a successful security policy. Whereas military expenditures alone say little about the effectiveness of external security policy, they have to be taken into account in order to assess the cost/benefit-ratio of these policies.
<table>
<thead>
<tr>
<th></th>
<th>Sentiment Description</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>External security policy protects citizens against security risks and safeguards the national interest very effectively.</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>External security policy protects citizens against security risks and safeguard the national interest more or less effectively.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>External security policy does not effectively protect citizens against security risks and safeguard the national interest.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>External security policy exacerbates the security risks and does not safeguard the national interest.</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Although the Doi Moi economic restoration program was primarily directed toward reform and liberalization of the national economy, it had decisive implications for Vietnam’s foreign policy and security outlook. In the mid-1980s, the political élite arrived at the conclusion that Vietnam’s foreign affairs, national security and state of the economy were inevitably linked, and that the de facto international isolation of Vietnam in the 1970s and 1980s had significantly contributed to the country’s deep socioeconomic crisis. At the same time, in the view of political leaders, the main security challenges to Vietnam were not solely the result of aggressive behavior on the part of foreign powers, but also emanated from the poor state of the economy, with corresponding conditions such as poverty and economic degradation. Hence, the success of Doi Moi would largely depend on a radical change in foreign policy. Seen from a different perspective, the Vietnamese government had to be serious about seizing any opportunity to establish or reestablish international links in order to emerge once again as a respected force in the global arena and contribute to the emergence of an international structure favorable to Vietnam’s own development. Subsequently, multilateral activities at the global, interregional, regional and sub-regional levels, along with a return to normal bilateral relations with the United States and other powers, contributed to the construction of a secure international environment that no longer required Vietnam to devote resources primarily to the maintenance of a strong defense infrastructure.

Vietnam has established diplomatic relations with 172 countries and trade links with 224 out of 255 countries and territories. Vietnam also holds membership in 63 international organizations. In 1989, Vietnam held diplomatic relations with just 23 noncommunist states. The government restored normal relations with China in 1991 and with the IMF in 1993. In 1992, Vietnam became a founding member of the Greater Mekong Subregion (GMS). In 1994, Vietnam became a founding member of the ASEAN Regional Forum (ARF), a mechanism for the informal discussion of security issues in the Asia-Pacific region, and in the following year joined the Association of Southeast Asian Nations (ASEAN), established official relations with the United States and signed an important framework cooperation agreement with the European Union. In January 2007, Vietnam joined the World Trade Organization (WTO). In October of that year, in one of the country’s most important diplomatic achievements, Vietnam was elected to serve as a nonpermanent U.N. Security Council member for 2008 – 2009, a development that allowed it to gain crucial experience on the world stage.

In January 2010, Vietnam assumed the annually rotating chair of ASEAN, hosting a number of related meetings including the ARF in July, and the 17th ASEAN Summit in Hanoi in October. Meanwhile, Vietnam has been relatively successful in resolving most of its territorial disputes with neighboring countries. One of the most important developments in this respect was the return to normal relations between Vietnam and Cambodia, marked by the October 2005 signing of a supplementary border treaty in Hanoi to settle the longstanding border dispute. However, the joint demarcation and planting of border markers, originally scheduled to be finalized by 2008, was still ongoing as of early 2012.

The normalization of Vietnam’s bilateral relations and the country’s active participation (and in some cases leadership role) in multilateral settings have significantly reduced the number and prevalence of external security risks. During the period under review, the only notable risk stemmed from Vietnam’s relations with China. After centuries of hostilities, which reached their most recent height during the Cold War, Sino-Vietnamese dealings turned rapidly more cordial in the aftermath of Vietnam’s
unconditional retreat from Cambodia in 1989 and its constructive role in settling the conflict there. Some problems remain, however, particularly with respect to tension in the South China Sea.

At the heart of this dispute lie the Spratly Islands – a collection of coral reefs, atolls, islets, islands, and sand bars scattered over a sea zone of some 410,000 square kilometers. This area, which is rich in oil and gas resources and is of significant geostrategic importance, is claimed in whole or in part by China, Taiwan, Vietnam, Malaysia, Brunei and the Philippines. The dispute with China in particular involves conflicting claims to sovereignty and sovereign jurisdiction. China claims indisputable sovereignty on the basis of historic discovery and a map containing nine dashed lines around the South China Sea. Vietnam bases its claims to sovereign jurisdiction on the United Nations Convention on Law of the Sea and its provision for an Exclusive Economic Zone (EEZ).

There have been few incidents in the waters around the Spratly Islands. The main area of contention lies in the waters around the Paracel Islands.

In June 2011, protests against China in Hanoi and Ho Chi Minh City took place as the maritime dispute between the two countries escalated. Shortly before this time, the Vietnamese government had lodged an official protest with Beijing over China’s alleged violation of Vietnam’s sovereignty in the South China Sea. In the same month, Vietnam was holding military exercises using live rounds off its coast, as it accused Beijing of raising tension in the region. A war of words between the two countries built over the course of weeks, with each claiming that their territorial waters had been subject to intrusion. Both China and Vietnam have also built new structures – including armed bunkers – on some of the islands they occupy. Vietnam has also followed the Chinese example of using archaeological evidence to strengthen sovereignty claims, referencing in addition the 1982 United Nations Convention on the Law of the Sea (UNCLOS). Fisheries have been a particular point of dispute. Every year, China imposes a unilateral fishing ban in waters north of 12 degrees north latitude. Sovereign rights over these waters are contested by Vietnam. This results in frequent incidents involving Vietnamese fishermen, in which they are chased, arrested and subject to beatings, and their catches impounded. Chinese fishermen have encroached in greater numbers in waters off Vietnam’s central coast that lie within Vietnam’s EEZ. Despite this saber rattling, the risk of a war over the Spratlys is currently deemed low. To solve the disputes, the Southeast Asian claimants and China in particular have been calling for peaceful resolution., ASEAN, which includes all Southeast Asian states with the exception of Timor Leste, has been at the forefront of diplomatic initiatives to approach the dispute from a multilateral angle. The ASEAN Declaration on the Conduct of Parties in the South China Sea of 1992, signed by China in 2002, is often praised as a first step toward a peaceful settlement. However, the declaration lacks any specific provisions on how to resolve the conflict. More generally, Vietnam has placed a high priority on addressing transnational security threats to its land and sea borders. It has demarcated its border with Laos and reached agreement with China on their mutual land border, and has delineated waters in the Gulf of Tonkin. Vietnam has also negotiated a border treaty with Cambodia, with markers currently being put in place. Nonetheless, Vietnam is affected by smuggling, trafficking in women and children, and continued assaults on its fishermen in waters around the Paracel Islands and in the southeast near Cambodia. Vietnam and China have conducted joint fisheries patrols in the Gulf of Tonkin.
How effectively does internal security policy in your country protect citizens against security risks?

This question rests on the assumption that the aims of protecting citizens against security risks like crime, terrorism and similar threats that are more and more internationally organized can be achieved by many different ways and combinations of internal security policies. For example, an effective policy includes objectives such as the internal integration of domestic intelligence and police communities and their regional cross-border cooperation with regional/international intelligence and police communities, the domestic strategy of intelligence and police communities and so on. Whereas expenditures on public order and safety alone say little about the effectiveness of internal security policy, they have to be taken into account in order to assess the cost/benefit-ratio of this policy.

Internal security policy protects citizens against security risks very effectively.  
10 □  9 □

Internal security policy protects citizens against security risks more or less effectively.  
8 □  7 □  6 □

Internal security policy does not effectively protect citizens against security risks.  
5 □  4 □  3 □

Internal security policy exacerbates the security risks.  
2 □  1 □
The Vision of Peace organization’s Global Peace Index 2011 ranks Vietnam 30th among 153 nations, an indication of a low level of internal and external tension. On a scale running from 1 to 5, Vietnam achieved a score of 1.670 (the lower the score, the more peaceful the country), putting it slightly behind the United Kingdom but above France. Vietnam has a low level of organized crime, a negligible potential for terrorist acts and a small number of homicides per 100,000 people (3.81, according to the most recent data of 2004). Vietnam scored straight ones on these three and other peace indicators. However, scores on other indicators are less favorable, including the level of violent crime (in which it scored a two), the level of disrespect for human rights (a score of 2.5), ease of access to small arms and light weapons (three) and the number of internal security officers and police per 100,000 people (three). Overall, this data suggests that Vietnam’s internal security policy effectively protects citizens against security risks. However, a deeper look reveals a more complex picture.

For example, domestic violence directed at women in Vietnam is a serious problem. A 2007 UNICEF study reported that approximately 21% of married couples had experienced some form of domestic violence in their marriage. The report also referred to surveys according to which 50% to 70% of divorces in Vietnam have been linked to domestic violence. A Law on Domestic Violence Prevention and Control was passed in 2007, but its effectiveness has been questioned. No indication of any progress in this area was evident during the period under review. Domestic violence in Vietnam is often still regarded as a private matter to be dealt with behind closed doors.

Separately, a 2001 report by the Human Rights Resource Center for ASEAN (HRRCA) highlights Vietnam’s use of “vaguely defined, catch-all national security” provisions in the 1986 Penal Code to legitimize detentions. Ambiguous offenses such as “undermining national solidarity, sowing divisions between religious and nonreligious people” (Article 87), “conducting propaganda against the Socialist Republic of Vietnam” (Article 88), and “abusing democratic freedoms to encroach on the interests of the state” (Article 258) carry heavy prison sentences. Seven such offenses are punishable by death. Ordinance 44, adopted in 2002, authorizes local security police and People’s Committees to detain “suspected national security offenders” for up to two years under house arrest, with detention taking place in “rehabilitation” camps or psychiatric institutions without any due process of law. The report notes that Vietnam continues to adopt restrictive legislation even as it receives substantial funding from the World Bank, the UNDP, the Asian Development Bank (ADB) and a host of donor countries for legal reform programs such as the Strategy on Development of the Legal System and the Strategy on Judicial Reform.

Vietnam actively cooperates with ASEANAPOL (ASEAN Chiefs of Policy) to address cross-border crime and international criminal syndicates. Vietnam’s Ministry of Public Security cooperates with its counterparts in China, Laos and Cambodia. During the period under review, there were no incidents of violence by exiled anti-communist groups (which Vietnam classifies as terrorism) reported. Vietnamese fishermen who operate within its EEZ and in waters around the Paracel Islands are subject to attacks by pirates, particularly in waters near Cambodia. Vietnamese security authorities are particularly harsh in their treatment of Christian ethnic minorities in the Central Highlands.
How effectively does environmental policy in your country protect and preserve the sustainability of natural resources and quality of the environment?

This question covers a government’s activities aimed at safeguarding the environment and thereby securing the prerequisites for sustainable economic development.

Environmental policy effectively protects, preserves and enhances the sustainability of natural resources and quality of the environment.  

Environmental policy largely protects and preserves the sustainability of natural resources and quality of the environment.  

Environmental policy insufficiently protects and preserves the sustainability of natural resources and quality of the environment.  

Environmental policy has largely failed to protect and preserve the sustainability of natural resources and quality of the environment.
According to the Asian Development Bank (ADB), the Vietnamese government has demonstrated a strong commitment to the strengthening of the strategic, legislative and institutional conditions for environmental protection and management. The strategic and policy framework has been enhanced through the development and adoption of a number of high level strategies, including the National Strategy for Environmental Protection to 2010 and Vision Toward 2020, which acknowledges the links between the environment and poverty, but does not mention any potential tension between trade expansion and the attraction of more foreign direct investment (FDI) on the one hand, and the environment on the other. There is a lack of any clear hierarchy and priority among the various strategies; the issues and objectives contained in official documents are numerous and the targets (where available) are ambitious. The government currently aims at allocating 1% of the overall state budget to environmental protection activities. To date, most national and local projects related to the environment are supported and financed by international donors.

Vietnam has been accessing support through the Clean Development Mechanism provided by the Kyoto Protocol; in December 2011, the government announced it would establish a legal environment for “green economy development,” with funding provided by the UNDP. Meanwhile, Japan plans to support Vietnam in the development of a system for monitoring the environment and providing warning of natural disasters.

Protected habitat – that is, the area of protected terrestrial and marine areas – increased from 2.98% of the country’s total territorial area in 1990 to 4.57% in 2002, but this share has remained unchanged since that time. Logging in Vietnam has been strictly controlled since 1997, and the country currently imports about 80% of its timber supplies, or 3 million cubic meters of timber a year. As a result, the proportion of the country’s land area covered by forest has grown substantially, from 30.2% in 1990 to 44.5% in 2010. However, the sustainable management of Vietnam’s forests has resulted in increasing depletion of stocks in neighboring Laos, which provides much of the natural tropical timber for Vietnam’s furniture sector.

Vietnam has experienced one of the largest increases in CO2 emissions in the world – from 17.2 million tons of CO2 in 1990 to 114.1 million tons in 2009, an increase of 563.2%. This is more than twice China’s proportional growth, and about four times the average growth for Asia as a whole (114.1%). In 2010, more than half of Vietnam’s electricity was sourced from thermal power plants, with 18.5% fired by coal and 36.6% burning oil and gas. On average, each 1 KWh of electricity in Vietnam creates 0.52 kilograms of CO2. The Ministry of Natural Resources and Environment (MONRE) estimates that Vietnam’s energy sector will produce 224 million tons of CO2 annually by 2020, while other key industrial sectors will discharge about 10 million tons. While the government has announced that it would work on “a scenario for a sustainable low-carbon economy,” no effective steps toward a reduction of CO2 emissions were taken during the assessment period.

Overseas companies, particularly those from Taiwan and South Korea, have been implicated in cases of the industrial pollution of waterways in Vietnam, aided by lax enforcement by local authorities.
Vietnamese environmentalists are particularly concerned about bauxite mining in the Central Highlands by Chinese companies with a poor record for environmental protection. If not managed properly, the toxic slurry produced by bauxite mining has the potential to impact downstream waterways.

Vietnam has a comprehensive national policy aimed at addressing the effects of climate change, and regularly consults with the donor community and international non-governmental organizations on mitigating the effects of climate change, including rising sea levels.
To what extent does research and innovation policy in your country support technological innovations that foster the creation and introduction of new products?

This question comprises subsidies and incentives for research institutions conducting basic and applied research, as well as subsidies and incentives for establishing start-up companies that transfer scientific output into products and enhanced productivity. Bureaucratic impediments to research and innovation should also be taken into account.

Research and innovation policy effectively supports innovations that foster the creation of new products and enhance productivity. 10 □

Research and innovation policy largely supports innovations that foster the creation of new products and enhance productivity. 8 □

Research and innovation policy partly supports innovations that foster the creation of new products and enhance productivity. 5 □

Research and innovation policy has largely failed to support innovations that foster the creation of new products and enhance productivity. 2 □
R&D expenditures have increased from 0.2% of GDP in 2005 to 0.7% in 2009 (the latest available data), but are still below the global average. In 2010, Vietnam earned approximately $1 billion from the software industry, with this figure expected to increase to $2 billion in the next few years. However, very few products produced by Vietnamese enterprises have been registered for protection under intellectual property laws. To date, Vietnamese enterprises have primarily served as outsourcing destinations for foreign enterprises. In 2010, there were 3,200 patent filings in Vietnam, but only 10% were submitted by Vietnamese applicants, primarily by researchers at universities and other institutes. However, most of these patents exist only on paper, and have not yet seen practical application. In November 2011, the Ministry of Science and Technology announced a $50 million fund for the purpose of helping Vietnamese patent holders apply their patents.
To what extent does education policy in your country deliver high-quality, efficient and equitable education and training?

This question assesses the extent to which a government’s education policy facilitates high-quality learning that contributes to personal development, sustainable economic growth and social cohesion. Your response should focus on the following, irrespective of the education system’s organization: the contribution of education policy towards providing a skilled labor force, the graduate output of upper secondary and tertiary education, and (equitable) access to education. While the latter pertains to issues of fairness and distributive justice, it also has implications for a country’s international competitiveness as unequal education implies a waste of human potential.

Education policy effectively delivers efficient and equitable education and training.  
10 □  9 □

Education policy largely delivers high-quality, efficient and equitable education and training.  
8 □  7 □  6 □

Education policy partly delivers high-quality, efficient and equitable education and training.  
5 □  4 □  3 □

Education policy largely fails to deliver high-quality, efficient and equitable education and training.  
2 □  1 □
Education is a high-priority sector of government spending. The share of state expenditure devoted to education increased from 17% in 2005 to 20% by 2010. Vietnam has achieved some of its fastest and most impressive successes with respect to the Millennium Development Goals (MDG) in this sector. The country’s literacy rate of 94% (up from 90% in 2000) is high compared with most other countries of a similar income level. Vietnam has achieved near-universal primary education. According to the 2009 national census (the latest available data), 97% of children were attending primary schools, with 88.5% of them finishing at least five years of primary education. Within this group, 90% continued their studies at higher levels of education, with no major gap between urban and rural areas. The gender balance is relatively even, with nearly half of students at the primary and secondary levels being female.

With the country’s quantitative expansion of education accomplished, and universal primary education achieved, qualitative improvement has become the country’s next key policy challenge. Teacher education is the key to accomplishing this task. By 2020, Vietnam hopes to provide 80% of Vietnamese youth with academic skills equivalent to a high-school education. With respect to education quality, the country’s policymakers have set goals of having 60% of students able to meet national requirements on reading comprehension by 2010, and 75% by 2015. However, the government’s higher-education policies have been less immediately successful. A strategy envisioning a ratio of 200 students per 10,000 people (1:50) by 2010 has not been achieved. Vietnam’s 376 universities currently have places for only 400,000 of the 1.2 million candidates who sat for university entrance exams – a ratio of 1 student per 218 people. In 2010, only 0.05% of the population attained tertiary education. While the number of university students is expected to increase quickly, the country’s national higher education system is inadequate to the demand. There is no mechanism currently in place to oversee the quality of the fast-increasing number of educational programs and institutions being set up to accommodate this rising demand for higher education. The overall level of skills produced is seen as inadequate to meeting the growing demands of the country’s industrial sector, particularly at the high-value-added end of the production chain.

International surveys reveal a very low rate of publication by Vietnamese university staff in ranked international journals compared to other Southeast Asian countries.

The Vietnamese media regularly report on examples of exam cheating, falsification of degrees and other forms of corruption affecting student evaluation.
Management Index

Executive Capacity

Steering Capability
M 1 Strategic Capacity
M 2 Inter-ministerial Coordination
M 3 Evidence-based Instruments
M 4 Societal Consultation
M 5 Policy Communication

Policy Implementation
M 6 Effective Implementation

Institutional Learning
M 7 Adaptability
M 8 Organizational Reform Capacity
**M 1**  
**Strategic Capacity**  
*Category: Steering Capability*

**M 1.1**  
**Strategic Planning**

**How much influence does strategic planning have on government decision-making?**

Organizational forms of strategic planning include planning units at the center of government and personal advisory cabinets for ministers or the president/prime minister or extra-governmental bodies.

An indicator of influence may be the frequency of meetings between strategic planning staff and the head of government. Please substantiate your assessment with empirical evidence.

Dominant influence. 

10 [ ]  
9 [ ]

Considerable influence.  

8 [ ]  
7 [ ]  
6 [ ]

Modest influence.  

5 [ ]  
4 [ ]  
3 [ ]

No influence.  

2 [ ]  
1 [ ]
Vietnam has a culture of strategic planning based on two sources: the residue of central planning from the Soviet era, and Vietnam’s early (1970s) approach to the World Bank and IMF for advice. Vietnam is also subject to the influence of the donor community. Strategic planning is consistently performed, though under a mainstream interpretation of the term, its influence remains modest. A national Socioeconomic Development Plan is drawn up every five years to coincide with national party congresses. The implementation of the government’s plan is reviewed regularly by the National Assembly.

In Vietnam’s post-1992 political system, the CPV formulates the strategic policies while the government, comprising the executive agencies (the state apparatus) and the National Assembly, is tasked with implementing the strategy. Hence, the CPV’s strategic planning provides the compulsory framework for government decision-making.

The government’s approach to planning has both a vertical and top-down nature. The planning process starts with the central government issuing instructions and providing frameworks to lower levels of government. In the preparation of the most recent five-year plan (FYP), the planning work started two years in advance, in the form of discussions among central planning officials and sector agencies on issues that might be addressed in the next plan. Under the typical process, the central planning agency proposes “ideas” for the next FYP at a national planning conference, held one year in advance of the plan’s release and including participants from sector ministries and local governments. The Ministry of Planning and Investments prepares the draft framework or guidelines for the next FYP, reflecting instructions issued by the Central Party Committee, and the draft guidelines are sent to the State Council for approval. The central planning agency’s report at a later conference provides guidelines, methods and deadlines for sector and local plan submissions, and thus establishes the framework and the tone for the whole planning process (Mai 2008).

A World Bank study recently found that new planning strategies have increasingly relied on empirical evidence and consultation to identify policies that are matched to realistically achievable goals. For example, while policy strategies are initially devised at the central level, they are communicated to the provinces, cities and regions for input before being finalized. Planning processes are beginning to use performance indicators linked to policy actions, and monitoring assesses whether these actions were taken, rather than trying to quantify complex sets of outcomes.

Citations:
How influential are non-governmental academic experts for government decision-making?

An indicator of influence may be the frequency of meetings between government and external academic experts. Please substantiate your assessment with empirical evidence.

<table>
<thead>
<tr>
<th>Influence Level</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominant influence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Considerable influence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Modest influence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No influence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In general, the institutional framework for Vietnamese policy analysis is state-directed. There is little evidence that independent policy research and advice play a significant part in government decision-making. The role of research institutions and think tanks in channeling evidence and a diversity of voices into the policy-making process in Vietnam is not well understood. This is at least partly related to the fact that the concept of Western-style non-state think tanks does not yet apply to Vietnam, as a genuine civil society is emerging only slowly. Vietnamese research institutes operate exclusively within the orbit of the state. Institutes such as the Institute for International Relations (recently renamed the Diplomatic Academy of Vietnam), which is a research body of the Ministry of Foreign Affairs, do have well-trained and skilled academic experts among their staff. However, these are internal think tanks comparable to the research divisions of ministries in other countries. A small but growing number of national academic experts are indirectly involved in providing comparatively more independent advice to the government, serving as consultants for international donors. In absolute terms, Vietnam is Asia’s largest recipient of official development assistance, and most OECD donors have focused their support on interventions in the broad field of governance reforms. The views of Vietnamese experts often find their way into donor reports and action plans that then form the basis for the Vietnamese government’s policy or legislative initiatives.

Vietnam’s only truly private organization for academic experts, the Institute of Development Studies, voluntarily disbanded in 2009 when the government prohibited their policy-orientated research. Because the state is the main employer, there are no truly non-governmental academic experts. Academic experts who engage in policy research are associated with government institutions such as the Institute of World Economy. Most Vietnamese “think tanks” are registered through an already existing organization and operate under their protective umbrella. However, a small but rising number of Vietnamese academics do engage in policy-oriented research, especially in the period (one year to 18 months) preceding national party congresses.
Does the government office / prime minister's office (GO / PMO) have the expertise to evaluate ministerial draft bills substantively?

This question examines whether the government office (referred to in some countries as the prime minister's office, chancellery, etc.) has capacities to evaluate the policy content of line ministry proposals. In case this question does not fully apply to the structure of relevant institutions in your country, please answer this question according to possible functional equivalents.

The GO / PMO has comprehensive sectoral policy expertise and provides regular, independent evaluations of draft bills for the cabinet / prime minister. These assessments are guided exclusively by the government's strategic and budgetary priorities.  

- The GO / PMO has sectoral policy expertise and evaluates important draft bills.  
- The GO / PMO can rely on some sectoral policy expertise, but does not evaluate draft bills.  
- The GO / PMO does not have any sectoral policy expertise. Its role is limited to collecting, registering and circulating documents submitted for cabinet meetings.
The top echelon of Vietnam’s political elite includes the Communist Party’s secretary general (who heads the politburo), the prime minister, the state president, the permanent secretary of the party secretariat and the chairperson of the National Assembly Standing Committee. Line ministries ostensibly serve as lead executive agencies in the formal process of drafting legislation, which is based on the 2008 Law on Law, and the country’s former system of collective leadership has moved somewhat toward one of ministerial responsibility. However, ministries do not produce genuinely independent proposals; rather, they typically act on the initiative of higher-placed agencies within the state party system, including the Prime Minister’s Office (PMO). The role of the Prime Minister’s Office as originator of policy content thus presupposes the power for subsequent evaluation.

The prime minister has established his own specialist group of advisors to assist in policy evaluation and development.
**M 2.2 GO Gatekeeping**

**Can the government office / prime minister’s office return items envisaged for the cabinet meeting on the basis of policy considerations?**

Please assess whether the GO/PMO is de facto, not only legally, able to return materials on the basis of policy considerations. In case this question does not fully apply to the structure of relevant institutions in your country, please answer this question according to possible functional equivalents.

<table>
<thead>
<tr>
<th>The GO/PMO can return all/most items on policy grounds.</th>
<th>10 ✗</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The GO/PMO can return some items on policy grounds.</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The GO/PMO can return items on technical, formal grounds only.</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The GO/PMO has no authority to return items.</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

There are no formal or formal limitations to the PMO’s discretion within the policy-making process. While the CPV general secretary remains the most powerful figure in the country from a constitutional perspective, the PMO dominates the government’s day-to-day affairs. However, the prime minister’s role in policy-making recently came under some scrutiny in the case of the near collapse of the state-owned Vinashin shipbuilding firm, which effectively went bankrupt in 2010 with over $4.4 billion in debts. The root of the problem dates to 2006, when Prime Minister Nguyen Tan Dung reorganized many of the country’s SOEs and placed the largest corporate groups under direct PMO control, an attempt to develop a corporatist strategy analogous to that pursued by South Korea and its chaebols.
To what extent do line ministries have to involve the government office/prime minister’s office in the preparation of policy proposals?

Please assess whether line ministries involve the GO/PMO de facto, not only legally, in the preparation of policy proposals. In case this question does not fully apply to the structure of relevant institutions in your country, please answer this question according to possible functional equivalents.

There are interrelated capacities for coordination in the GO/PMO and line ministries.

The GO/PMO is regularly briefed on new developments affecting the preparation of policy proposals.

Consultation is rather formal and focuses on technical and drafting issues.

Consultation occurs only after proposals are fully drafted as laws.

While the government’s system of collective leadership has gradually shifted toward a cabinet approach and the strengthening of ministerial responsibility, the preparation of policy proposals always involves the PMO at some stage. The PMO oversees all activities related to government policy.
How effectively do ministerial or cabinet committees prepare cabinet meetings?

This question studies whether cabinet committees (composed exclusively of cabinet members) or ministerial committees (composed of several ministers and individual non-cabinet members) effectively filter out or settle issues so that the cabinet can focus on strategic policy debates.

Please assess whether ministerial or cabinet committees are de facto, not only legally, able to prepare cabinet meetings. In case this question does not fully apply to the structure of relevant institutions in your country, please answer this question according to possible functional equivalents.

The large majority of issues are reviewed and scheduled first by/for the committees.

Most of the issues are prepared by committees. Or: Issues of political or strategic importance are reviewed and scheduled by/for the committees.

There is hardly any preparation of cabinet meetings by committees.

There is no preparation of cabinet meetings by committees. Or: There is no ministerial or cabinet committee.
The cabinet consists of the prime minister, the deputy prime ministers, the heads of line ministries, and the heads of various state organizations, including the central bank, who are named by the prime minister and confirmed by the National Assembly. The cabinet coordinates and directs the line ministries and various state organizations of the central government, and supervises administrative committees at the local government level.

There is no information available on how cabinet meetings are de facto prepared. However, the cabinet meetings themselves, which are well documented and the subjects of reports on the Vietnamese government’s official Web portal and in the Vietnamese media, clearly focus on high-level politics and overarching issues in policy-making. The topics discussed in cabinet meetings and the official reports delivered by cabinet members are usually seen – both by the national audience and international observers – as indicating the course of and/or changes in the direction of policy-making. During the assessment period, this was particularly evident in the government’s responses to the economic downturn and in the evolution of Vietnam’s foreign policy, particularly with respect to bilateral relations with China. Given the strategic significance of cabinet meetings, it can therefore be deduced that they are well prepared, although there are no official cabinet committees.
M 2 Inter-ministerial Coordination
Category: Steering Capability

M 2.5 Senior Ministry Officials

How effectively do senior ministry officials prepare cabinet meetings?

This question examines whether senior ministry officials (leading civil servants or political appointees including junior ministers below the cabinet level) effectively filter out or settle issues so that the cabinet can focus on strategic policy debates.

Please assess whether senior ministry officials are de facto, not only legally, able to prepare cabinet meetings. In case this question does not fully apply to the structure of relevant institutions in your country, please answer this question according to possible functional equivalents.

Most issues arrive in time to be reviewed and scheduled first by/for the senior ministry officials (i.e., more than 70% of cabinet agenda items are prepared).

Many of the issues are prepared by senior ministry officials (i.e., 50-70% of cabinet agenda items are prepared).

There is some preparation of cabinet meetings by senior ministry officials (i.e., less than 50% of cabinet agenda items are prepared).

There is no or hardly any preparation of cabinet meetings by senior ministry officials.

There is no information in the public domain or in the academic literature that can provide a basis, however rudimentary, to make a judgment as to the role of senior ministry officials. It is highly likely that relevant deputy ministers play a major role in preparing submissions to the cabinet. However, there is no empirical basis for providing evaluation of this issue.
How effectively do line ministry civil servants coordinate policy proposals?

This question refers to administrative coordination and examines to what extent civil servants of individual ministries effectively coordinate the drafting of policy proposals with other ministries so that political coordination bodies and the cabinet can focus on strategic policy debates.

In case this question does not fully apply to the structure of relevant institutions in your country, please answer this question according to possible functional equivalents.

Most policy proposals are effectively coordinated by civil servants.  
10 □  
9 □

Many policy proposals are coordinated by civil servants.  
8 □  
7 □  
6 □

There is some coordination of policy proposals by civil servants.  
5 □  
4 □  
3 □

There is no or hardly any coordination of policy proposals by civil servants.  
2 □  
1 □
The responsibilities of the ministries are divided along narrow functional lines, and there is a lack of strong coordination and consultation mechanisms for interministerial coordination. Policy proposals are more likely to be coordinated by deputy ministers and their staffs than by the civil servants of the various line ministries. The vertical structure of Vietnam’s government and the top-down planning system makes coordination between and across sectors difficult. Each ministry or agency is overseen by its own sectoral administration, and works independently with the corresponding party committee at the same level – thus, the provincial planning and investment department of the Ministry of Planning and Investment works with the people’s committee at the provincial level. Overall, there is no coordination mechanism built into the planning process. Evaluation reports prepared in the course of the European Union’s cooperation programs with Vietnam regularly mention improvements to ministry capacities, but also emphasize the weak coordination between line ministries in all policy sectors.
How effectively do informal coordination mechanisms work?

This question examines whether there are informal coordination mechanisms (examples: coalition committees, informal meetings within government or with party groups, informal meetings across levels of government) which effectively filter out or settle issues so that the cabinet can focus on strategic policy debates?

Most policy proposals are effectively coordinated by informal mechanisms.  
10 9

Many policy proposals are coordinated by informal mechanisms.  
8 ✗ 7 6

There is some coordination of policy proposals by informal mechanisms.  
5 4 3

There is no or hardly any coordination of policy proposals by informal mechanisms.  
2 ✗ 1

Given the nature of Vietnam’s political system, strong informal coordination mechanisms exist between the agencies of the state apparatus and CPV committees. These mechanisms are also used to prepare cabinet meetings.

All government bodies, including ministries, have party committees embedded within them. These party committees meet on a regular basis. As Vietnam is a one-party state, key decision makers are dual-role elites, occupying positions within both the party and state apparatus. Individuals engage in day-to-day informal coordination in their state/government roles.
Does the government regularly assess the potential socioeconomic impact of the draft laws it prepares (regulatory impact assessments, RIA)?

If RIA activities are not centrally registered, please try to obtain exemplary information that is representative of the situation in your country. **Please Note: If RIA are not applied or do not exist, please give your country a score of “1” for this question AND for M3.2 and M3.3.

In case this question does not fully apply to your country, please answer this question according to possible functional equivalents and substantiate your answer.

RIA are applied systematically to new or existing regulations, but are limited to those matching defined criteria.  **

10 □  9 □

RIA are not applied systematically to study the impact of regulations.  **

8 □  7 □  6 □

RIA are applied randomly.  **

5 □  4 □  3 □

RIA are not applied or do not exist.  **

2 □  1 □
According to the U.S. Agency for International Development (USAID), policy-making in Vietnam typically lacks the elements of public consultation and rigorous policy analysis that would ensure laws are responsive to the needs of citizens. Drafting committees often prepare dozens of draft laws without fully understanding problem definitions, policy options, the costs and benefits of various options, or the policy alternative best suited to addressing a specific problem.

The first regulatory impact assessment (RIA) in Vietnam was implemented in the course of developing the Enterprise Law and Investment Law in 2005. Since that time, the Ministry of Justice has undertaken a number of RIA exercises focusing on other laws, including the 2008 revised Law on the Promulgation of Legal Normative Documents (Law on Laws) as well as on more specific issues such as technical regulations. Policymakers have indicated a desire to institutionalize RIA within the lawmaking process. To date, however, the implementation of RIA based on pilot projects has been entirely driven by foreign donors.
To what extent do RIA analyze the purpose of and need for a regulation?

This question seeks to assess the analytical depth of RIA. Please try to obtain exemplary information that is representative of the situation in your country. In case this question does not fully apply to your country, please answer this question according to possible functional equivalents and substantiate your answer.

RIA define the purpose of and need for a regulation in a clear, concise and specific manner.  

RIA mention the purpose of and need for a regulation, but the specification is not sufficiently clear, concise and/or well-defined.  

RIA mention the purpose of and the need for a regulation, but do not specify.  

RIA do not analyze the purpose of and the need for a regulation.

In the few cases where RIA has been applied in Vietnam, the process followed a comprehensive approach – in line with international standards.

The Regulatory Impact Assessment (RIA) for EMC Technical Regulation on Refrigerators and Air Conditioners (February 21, 2010) offers a good example of the rigorous application of this approach. This is not surprising, given that all RIAs performed to date have been designed and conducted by international donors – in the case of the refrigerator regulation, by the United Nations Industrial Development Organization (UNIDO).
To what extent do RIA analyze alternative options?

This question seeks to assess the scope of RIA.

Please try to obtain exemplary information that is representative of the situation in your country. In case this question does not fully apply to your country, please answer this question according to possible functional equivalents and substantiate your answer.

RIA analyze alternative options (including “do nothing”) and quantify the costs and benefits of the different alternatives.  

- 10 □
- 9 □

RIA highlight alternative options and consider the pros and cons of each option.  

- 8 □
- 7 □
- 6 □

RIA consider some alternative options.  

- 5 □
- 4 □
- 3 □

RIA do not analyze alternative options.  

- 2 □
- 1 □

In the few examples of RIA in the public domain (about a dozen), several alternative options were discussed. For example, in assessing the draft revised Law on Laws (2008), the potential impacts of six reform issues were assessed along with at least three different scenarios in each case, including cost-benefit calculations for each option. However, the sample of available RIAs is too small to enable conclusive findings.
To what extent does the government consult with trade unions, employers’ associations, leading business associations, religious communities, and social and environmental interest groups to support its policy?

This question assesses how successfully the government consults with economic and social actors in preparing its policy. Successful consultation is conceived here as an exchange of views and information that increases the quality of government policies and induces economic and social actors to support them.

- The government successfully motivates economic and social actors to support its policy.
  - 10
  - 9

- The government facilitates the acceptance of its policy among economic and social actors.
  - 8
  - 7
  - 6

- The government consults with economic and social actors.
  - 5
  - 4
  - 3

- The government hardly consults with any economic and social actors.
  - 2
  - 1
Vietnam’s government recognizes the critical need to engage the public in the process of policy planning, but has had difficulty establishing a meaningful consultation process. There is no official requirement for public participation in policy-making, but informal consultation does take place under the umbrella of the Vietnam Fatherland Front. Consultation with business organizations and other economic actors, as well as with international donors, happens frequently.

Experimentation with a more participatory strategic planning and policy-making process began in 2006, when the government opened the draft Political Report, a comprehensive strategic document, to public debate over the Internet prior to its presentation at the 10th Party Congress. A similar approach was taken in the preparations for the 11th Party Congress of January 2011, when strategy documents were made available for public feedback and input, though only within clear limits. In the weeks before the 11th Party Congress, Facebook – which is normally blocked with controls that are easily bypassed – was wholly inaccessible within the country.

Little research has been conducted on the role of the emerging civil society in planning processes and policy-making. However, a comprehensive study by Martin Gainsborough et al. for the European Union and the Konrad Adenauer Foundation “Promoting Efficient Interaction Between the National Assembly and Civil Society in Vietnam,” published in June 2011 finds that: “Advocacy and policy dialogue in Vietnam is occurring in a manner which is better than one might expect. This includes dialogue between NGOs and the National Assembly. NGOs themselves report increasing levels of receptiveness on the part of the staff of National Assembly departments and committees to their ideas as well as a positive response to their invitations to events. However, this is not the case across the whole of the National Assembly, since certain parts of it are still tending to consult rather narrowly and are less comfortable working with NGOs. That said, using personal contacts and based on a deep understanding of the Vietnamese system, local NGOs are able to exert influence whether in relation to legislation or the wider policy environment” (p. 31).

The government and the ruling party regularly consult with the Vietnam Fatherland Front (VFF) and its constituent members as a matter of course. The government and the party accept input and feedback from the VFF and its mass organizations, but the primary duty of these institutions is to mobilize support behind government/party policy.
To what extent does the government implement a coherent communication policy?

The government effectively coordinates the communication of ministries; ministries closely align their communication with government strategy.

The government seeks to coordinate the communication of ministries through consultation procedures. Contradictory statements are rare, but do occur.

The ministries are responsible for informing the public within their own particular areas of competence; their statements occasionally contradict each other.

Strategic communication planning does not exist; individual ministry statements regularly contradict each other.

Given Vietnam’s status as a single-party state, government communications across all line ministries, subordinate agencies and party committees are coordinated and harmonized to the extent possible, and are broadly in line with government policy. However, this task has become both more difficult and less successful over time. A growing pluralism of views and opinions has emerged within the CPV, with a significant cleavage existing between conservatives and reformers within the ranks of the party and the government. Moreover, a gradual emancipation of key actors such as the National Assembly and the provincial governments has occurred.

Vietnam has a highly centralized and efficient system of formal communication that is tightly controlled by the party Central Committee’s Committee on Culture and Ideology, in close coordination with the Ministry of Culture and Information. Key members of communications networks such as the party newspaper and state TV and radio organizations are members of the party Central Committee.
**Effective Implementation**  
Category: Policy Implementation

**M 6.1  Government Efficiency**

**To what extent can the government achieve its own policy objectives?**

This question seeks to evaluate a government’s implementation performance against the performance benchmarks set by the government for its own work. The assessment should therefore focus on the major policy priorities identified by a government and examine whether declared objectives could be realized.

<table>
<thead>
<tr>
<th>Description</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>The government can largely implement its own policy objectives.</td>
<td>10</td>
</tr>
<tr>
<td>The government is partly successful in implementing its policy objectives or can implement some of its policy objectives.</td>
<td>8</td>
</tr>
<tr>
<td>The government partly fails to implement its objectives or fails to implement several policy objectives.</td>
<td>5</td>
</tr>
<tr>
<td>The government largely fails to implement its policy objectives.</td>
<td>2</td>
</tr>
</tbody>
</table>
Vietnam’s record of policy efficiency during the assessment period is mixed. Between early 2010 and early 2012, the government achieved some of the policy objectives identified in response to the global economic downturn of 2007 – 2008 and the structural weaknesses of the Vietnamese economy. Monetary policy was tightened, investment was limited and the fiscal deficit reduced, and the first steps toward safeguarding the financial system were taken. However, confidence in the Vietnamese economy remains fragile, and external, fiscal and financial buffers remain minimal. The government has not accomplished its goal of achieving a degree of economic stability comparable to that of most other countries in East and Southeast Asia. Inflation rates were by far the region’s highest during the period under review. Furthermore, a fundamental SOE sector reform has been repeatedly announced, but has not yet been implemented. SOEs have become a burden on the economy, and reforming them will be a crucial step toward reducing economic risk and facilitating longer-term growth.

Policies targeted at achieving the Millennium Development Goals (MDGs) have been quite successful. Poverty levels and maternal health figures already meet the standards set by the MDGs. But this progress is not yet sustainable, and issues of quality, equity and distribution remain a concern. A sizable part of Vietnam’s population lives just above the poverty line, and the occurrence of any major economic crisis or natural disaster holds a high potential for knocking Vietnam off track.

The deep involvement of foreign donors in Vietnam’s development process contributes positively to the achievement of policy objectives, as many key economic and socioeconomic policies are supported by donors and linked to benchmarks.
To what extent does the organization of government ensure that ministers do not seek to realize their self-interest but face incentives to implement the government’s program?

Organizational devices providing incentives for ministers include prime ministerial powers over personnel, policies or structures, coalition committees, party summits, comprehensive government programs/coalition agreements and cabinet meetings. In case this question does not fully apply to your country, please answer this question according to possible functional equivalents and substantiate your answer.

The organization of government successfully provides strong incentives for ministers to implement the government’s program. 10 □

The organization of government provides weak incentives for ministers to implement the government’s program. 9 □

The organization of government partly prevents ministers from realizing departmental self-interests. 8 □

The organization of government fails to prevent ministers from realizing departmental self-interests. 7 □
The powers to ensure ministerial compliance are vested within the CPV, or more specifically its Central Committee and politburo, rather than the government per se (defined as the Prime Minister’s Office and the National Assembly). The politburo is elected by the CPV Central Committee, which is elected by party congresses that are held at roughly five-year intervals. The Central Committee party secretariat issues directives to party members and oversees government policy on a day-to-day basis. Held in 2011, the CPV’s 11th Party Congress confirmed the existing structures of political rule. The politburo possesses broad decision- and policy-making powers, including powers over government personnel. While the ministries have in recent years assumed a more active role in policy development in addition to their main task of administration and policy implementation, this does not yet imply that ministries are actively able to pursue self-interested goals. Indeed, there is little scope for ministers to deviate from official directives in the implementation of government policy.

All ministers are members of the party Central Committee. Senior ministers (prime minister, public security, national defense) are members of the politburo. The Prime Minister’s Office (PMO) has grown more powerful in recent years as Vietnam has developed, and today has greater influence on everyday life than does the party’s secretary general. Less than 4% of the country’s citizens are members of the Communist Party. The prime minister is a senior politburo member, but exercises control and influence over ministers primarily through his role as prime minister. In his first term, Prime Minister Nguyen Tan Dung acquired the right to propose his list of cabinet members to the Central Committee for its approval prior to submitting the list to the National Assembly for its official approval.
How effectively does the government office / prime minister’s office monitor line ministry activities?

This question assumes that effective delegation from the core executive to ministries is reflected in the monitoring of line ministry activities by the administration of the core executive. While such monitoring is not sufficient to prevent line ministries from prioritizing sectoral over government interests, the presence or absence of monitoring is taken here as a proxy of effective delegation policies. In case this question does not fully apply to your country, please answer this question according to possible functional equivalents and substantiate your answer.

The GO / PMO effectively monitors the activities of line ministries.  
9

The GO / PMO monitors the activities of most line ministries. 
6

The GO / PMO shadows the activities of some line ministries.  
3

The GO / PMO does not monitor the activities of line ministries.  
1

Given the top-down approach to decision-making and policy implementation in Vietnam, line ministries have little scope to act independently. Ministries are strictly overseen by the government, while the government is controlled in turn by the party.

The prime minister is the third-highest-ranking member of the 14-member politburo. Under the 1992 constitution, he is directly responsible for monitoring line ministries through their ministers.
How effectively do ministries monitor the activities of executive agencies?

An effective implementation may be constrained by bureaucratic drift. To ensure that agencies act in accordance with government policies, this question assumes that ministries and their leading officials should monitor the activities of semi-autonomous executive agencies in their task area.

In federal states with few executive agencies at the central level of government, the assessment should also consider regional-level decentralized agencies acting on behalf of the federal government.

The ministries effectively monitor the activities of all executive agencies.  
10 □  
9 □

The ministries monitor the activities of most of the executive agencies.  
8 □  
7 □  
6 □

The ministries monitor the activities of some executive agencies.  
5 □  
4 □  
3 □

The ministries do not monitor the activities of executive agencies.  
2 □  
1 □

In Vietnam’s strictly hierarchical, top-down approach to policy implementation, all executive agencies are tightly monitored. Vietnam has a system of vertical control, and executive agencies are not accorded any appreciable autonomy.
To what extent does the central government ensure that tasks delegated to subnational self-governments are adequately funded?

A high or low degree of decentralization as such does not constitute a meaningful indicator of executive capacity. Rather, this question focuses on the delegation problem associated with decentralization.

If the central government delegates a public task to lower levels of government (as a rule: regional self-government and in unitary states without regional self-government, local self-government), the central government needs to ensure that such tasks are adequately funded. The absence of corresponding funding sources (“unfunded mandates”) indicates a lack of responsibility and strategic design. Funding may be provided through grants (shares of centrally collected taxes) from the central budget or by endowing subnational self-governments with their own revenues.

Please note that subnational self-government refers to directly elected subnational administrative authorities with considerable discretion. The broad concept of “delegation” applied here is taken from principal-agent theory and includes independent powers of subnational self-government enshrined in the constitution. Thus, no difference is made between independent powers and those central government powers that have been delegated by laws or executive regulations to subnational self-government.
The central government enables subnational self-governments to fulfill all their delegated tasks by funding these tasks sufficiently and/or by providing adequate revenue-raising powers.

The central government enables subnational governments to fulfill most of their delegated tasks by funding these tasks sufficiently and/or by providing adequate revenue-raising powers.

The central government sometimes and deliberately shifts unfunded mandates to subnational governments.

The central government often and deliberately shifts unfunded mandates to subnational self-governments.
By law, Vietnam is a politically centralized government organized in four levels. The country is made up of 64 provinces, 690 districts and 11,055 communes. Decentralization has been increasingly taking place in the areas of fiscal and public administration and regulatory policy-making. In the course of this process, the central government has assigned a certain degree of decision-making authority to sub-central governments, with the provinces serving as the most important level in terms of devolved powers and responsibilities.

Unlike in many other countries, decentralization in Vietnam has taken place as a top-down process. The degree of decentralization is greatly determined by the central government, which prescribes the powers and responsibilities of sub-central governmental levels. Fiscal decentralization is controlled by a list of expenditure responsibilities respectively associated with the central government and sub-central governments, based on several laws enacted since the 1990s. Sub-central government expenditures are estimated to be around 50% of government expenditure as a whole. This figure suggests that Vietnam is a relatively highly decentralized country in terms of public spending. According to the budget law, taxes and fees are assigned as follows:

- The central government receives income from VAT on import goods, export taxes, import taxes, and the special consumption tax on import goods.
- Sub-central governments receive land and housing taxes, license taxes, and fees on land use.
- The central and sub-central levels share the general VAT (except that imposed on import goods), corporate income taxes, taxes on remittances, excise taxes on domestic goods and services, gasoline and oil fees and personal income tax revenues.

The degree of revenue decentralization varies across provinces. This nonuniform system of sharing tax rates across provinces enables local officials to make efforts to enhance the revenue-generating capacities of their local government bodies.

Since 1998, provincial governments have been empowered to manage their own state officials, including recruitment, appointment, training and firing. Government officials under provincial management represent approximately 54% of the country’s total government staff. This figure shows that Vietnam has also engaged in relatively significant decentralization in the area of state human resources management, with the degree of decentralization in this area equivalent to that of public spending (summarized from Thanh Thuy Vu et al., The Interrelationship between Formal and Informal Decentralization and its Impact on Sub-Central Governance Performance: The Case of Vietnam, CESIFO Working Paper No. 3714, January 2012).
To what extent does central government ensure that substantial self-governments may use their constitutional scope of discretion?

As a high or low degree of decentralization as such does not constitute a meaningful indicator of executive capacity, this question takes the constitutional scope of regional self-government or, in unitary states without regional self-government, local self-government autonomy, as a point of reference.

Central government institutions are assumed to enable subnational self-governments to use this autonomy fully. Subnational autonomy may be curtailed by legal, administrative, fiscal or political measures of the central level. Such de facto centralizing policies may be deliberate or unintentional, unconstitutional or in accordance with the constitution.

The central government enables subnational self-governments to use their constitutional scope of discretion fully.  

Central government policies inadvertently limit the subnational self-governments’ scope of discretion.

The central government formally respects the constitutional autonomy of subnational self-governments, but de facto narrows their scope of discretion.

The central government deliberately precludes subnational self-governments from making use of their constitutionally provided autonomy.
Although local government autonomy is not acknowledged in the constitution, it is substantial in practice. Local governments' autonomous policy experimentation or innovation in the absence of regulations has been described as “fence-breaking” or informal decentralization. From the perspective of the central government, all of these initiatives are illegal. In the past, “fence-breaking” provinces and the officials responsible have been named, shamed and in several cases punished by the central government, despite the fact that many policy experiments and innovations at the provincial level have later been legalized, and have even become very successful.

The relatively high degree of actual autonomy at the sub-central levels has intensified conflicts between the central and sub-central governments. Moreover, it has created new competition for resources, especially for private and foreign investment capital, as a means to support greater autonomy for the sub-central levels.

The hierarchical structure of the government, which de jure limits the autonomy and independence of subnational governments, de facto creates opportunities for sub-central leaders to exercise their autonomy. First, the government's four-level vertical organization, which includes the central level and the provincial, district, and communal sub-central layers, as well as the substantial fiscal autonomy enjoyed by provincial governments, allows considerable flexibility and asymmetry in implementing and enforcing central laws and regulations. The distance between the central and local governments reduces the likelihood that legal documents produced by the center are implemented as directed. Thus, the outcomes of centrally conceived policies are to a considerable degree subject to the discretion of sub-central governments (summarized from Thanh Thuy Vu et al., The Interrelationship between Formal and Informal Decentralization and its Impact on Sub-Central Governance Performance: The Case of Vietnam, CESIFO Working Paper No. 3714, January 2012).
Effective Implementation
Category: Policy Implementation

To what extent does central government ensure that subnational self-governments meet national standards of public services?

This question seeks to assess how central government ensures that the decentralized provision of public services complies with standards (rules, performance figures, etc.) agreed upon and set on the national level.

Central government effectively ensures that subnational self-governments meet national standards of public services. 10
9

Central government ensures largely that subnational self-governments meet national standards of public services. 8
7 ☒
6

Central government ensures that subnational self-governments meet national minimum standards of public services. 5
4
3

Central government does not ensure that subnational self-governments meet national standards of public services. 2
1
Central government control of service delivery at subnational levels is a part of the Vietnamese political system.

To ensure the compliance of subnational governments with national public service standards, the provincial governance and public administration performance index (PAPI) was introduced in 2009. It was first used in three cities and provinces, then expanded to 30 cities and provinces in 2010, and finally became a nationwide exercise in 2011. The PAPI is conducted by the Vietnam Fatherland Front and the National Assembly's Ombudsman Committee, with the support of the UNDP and the Center for Community Support and Development Studies.

The PAPI survey (which polled 13,640 citizens in 2012) examines six different dimensions of provincial governance and public administration: participation at the local level, transparency, vertical accountability, the control of public sector corruption, public administrative procedures and public service delivery.

Vietnam maintains a system of schools for administration at the regional level to ensure the diffusion of national standards. There is also a National Academy of Politics and Public Administration for public servants deemed ready for senior management positions.
M 7  Adaptability
Category: Institutional Learning

M 7.1  Domestic Adaptability

To what extent does the government respond to international and supranational developments by adapting domestic government structures?

Government structures include the organization of ministries, the cooperation among ministries and in cabinet, the center of government and relations with subnational levels of government. This question asks whether these structures have been adapted to address inter / supranational developments and their effects for policy formulation and policy implementation.

Please note that structural reforms are also studied in view of their role in institutional learning (question M 8.2).

The government has appropriately and effectively adapted domestic government structures to international and supranational developments.  

The government has largely adapted domestic government structures to international and supranational developments.

The government has partly adapted domestic government structures to international and supranational developments.

The government has not adapted domestic government structures.
Few countries have experienced a more rapid process of integration into the global and regional environment than has Vietnam (see “external security policy”). The country’s obligations and responsibilities as a WTO and ASEAN member, for example, have resulted in manifold policy- and lawmaking activities necessary to comply with treaty requirements and to strengthen Vietnam’s international competitiveness (all with strong foreign donor support). However, domestic government structures have remained largely unchanged aside from minor alternations to the organization and legitimization of power within the state-party system; nor have even these minor changes been directly related to international developments.

There have been no changes in the composition of government ministries since the formation of the current cabinet following national elections in May 2011.
M 7  
Adaptability  
Category: Institutional Learning

M 7.2  
International Coordination

To what extent does the government participate in the international coordination of joint reform initiatives?

This question evaluates whether the government actively collaborates in reform initiatives promoted by international fora or organizations. The underlying assumption is that – given the transnational integration of modern states – executive capacity increasingly depends on whether a government is able to actively participate in international institutions and in shaping international policies.

Joint reform initiatives concern challenges or problems that cannot be mastered unilaterally by an individual country and that aim to facilitate international cooperation in fields such as international security, economic development, social progress, human rights issues or environmental protection.

The government actively participates in the international coordination of joint reform initiatives as often as possible.  
10 □
   9 □

The government often participates in the international coordination of joint reform initiatives.  
8 □
   7 □
   6 □

The government selectively and sporadically participates in the international coordination of joint reform initiatives.  
5 □
   4 □
   3 □

The government does not participate in the international coordination of joint reform initiatives.  
2 □
   1 □
Vietnam, which joined ASEAN in 1995, has established itself as one of the group’s most influential and proactive members. The country is prominently associated with the initiative to narrow the development gap between old and new members (the latter group including Cambodia, Laos, Myanmar and Vietnam), with the ultimate goal of committing the wealthier ASEAN members to substantive action. This concept is enshrined in the Hanoi Declaration on Narrowing the Development Gap for Closer ASEAN Integration. Vietnam also serves as the unofficial leader of the CLMV group (Cambodia, Laos, Myanmar and Vietnam), which represents the least developed of the ASEAN countries. In January 2010, Vietnam assumed the annually rotating ASEAN chair, subsequently hosting a number of related meetings including the 17th ASEAN Summit.

Outside ASEAN, Vietnam’s participation in international reform initiatives has been limited. Most notable in terms of the country’s international role is that fact that it was elected to serve as a nonpermanent member of the U.N. Security Council for the 2008 – 2009 period, a development that allowed it to gain crucial experience on the world stage. The government encountered little opposition from other countries in its campaign for a council seat, ultimately receiving 183 of 190 votes. Vietnam held the Security Council’s rotating presidency in July 2008 and again in October 2009, and inter alia had to contend with developments in several African countries, proposals for sanctions against Iran and North Korea, and the situation in Myanmar.

As a consequence of Vietnam’s ASEAN membership, ministers regularly participate in annual meetings with their ministerial counterparts. Vietnam is obliged to pursue ASEAN reform objectives to the extent it can. Government officials who support reform often invoke international obligations in support of their efforts. Vietnam is also a member of the ASEAN Inter-Parliamentary Organization.
To what extent do actors within the government monitor whether institutional arrangements of governing are appropriate?

Institutional arrangements include the rules of procedure and the work formats defined there, in particular the cabinet, the office of the head of government, the center of government, the portfolios of ministries, the advisory staffs of ministers and the head of government as well as the management of relations with parliament, governing parties, ministerial administration and public communication.

The institutional arrangements of governing are monitored regularly and effectively.  

There is no monitoring.

Vietnam has two systems of monitoring. The government is monitored by the Communist Party, or more specifically the Central Committee and the politburo. This monitoring takes place through the party secretariat and its commission of supervision and control, as well as through a specialist internal political security unit. State agencies are subject to monitoring by the government inspectorate, the State Audit Office, the Prime Minister’s Office and the Ministry of Home Affairs.
To what extent does the government improve its strategic capacity by changing the institutional arrangements of governing?

For a list of institutional arrangements, see question M 8.1. Strategic capacity is the capacity to take and implement political decisions which take into account the externalities and interdependencies of policies, are based on scientific knowledge, promote common goods and represent a long-term orientation.

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>The government improves considerably its strategic capacity by changing its institutional arrangements.</td>
<td>10</td>
</tr>
<tr>
<td>The government improves its strategic capacity by changing its institutional arrangements.</td>
<td>8</td>
</tr>
<tr>
<td>The government does not improve its strategic capacity by changing its institutional arrangements.</td>
<td>5</td>
</tr>
<tr>
<td>The government loses strategic capacity by changing its institutional arrangements.</td>
<td>2</td>
</tr>
</tbody>
</table>

...
Since the 1986 beginning of the market-oriented Doi Moi reform process, which has had a political and institutional dimension as well as an economic component, the CPV has sought to build a state ruled by law. In the process, it has aimed at streamlining government institutions, tackling corruption and making the state more responsive to public demands. Increasing the de facto power of the National Assembly (NA) has been another key component of the country’s political renovation. Prior to reforms, the National Assembly was little more than a rubber-stamp body, obediently endorsing party decisions. This is still largely the case, but developments during the assessment period show that the NA has in fact become more assertive. In 2010, Prime Minister Dung faced the threat of a no-confidence vote proposed by a single NA deputy over the collapse of the Vinashin shipbuilding firm, which defaulted on debts of $4.5 billion. In the same year, the NA opposed a major government spending initiative for the first time in its history, blocking an ambitious $56 billion high-speed rail project (for a 1,630-kilometer line from Hanoi to Ho Chi Minh City) at a time when state finances were being closely scrutinized by financial markets. Government plans regarding Vietnam’s controversial bauxite mining project in the Central Highlands and the country’s plan for new nuclear power stations in Ninh Thuan have also been hotly debated by assembly members.

Overall, however, institutional changes have been modest and have resulted in only small improvements to strategic capacity. In the period under review, the composition of the cabinet in terms of included ministries and agencies has remained unchanged. Vietnam has experimented with institutional change in the past by merging ministries and creating new ones such as the Ministry of Natural Resources and the Environment, seeking to improve its strategic capacity to deal with new issues.
Management Index

Executive Accountability

Citizens
M 9 Citizens’ Participatory Competence

Legislature
M 10 Structures and Resources of Parliamentary Actors
M 11 Parliamentary Accountability and Oversight

Intermediary Organizations
M 12 Media
M 13 Parties and Interest Associations
To what extent are citizens informed of government policy-making?

This question assesses the extent to which citizens have information and knowledge enabling them to evaluate government policy-making adequately. The question focuses on policies, not the personnel or political composition of government or the power struggles that often dominate government. A high level of information about policies presupposes that citizens understand the motives, objectives, effects and implications of policies.

Please rely on local opinion survey data to substantiate your evaluation.

Most citizens are well-informed of a broad range of government policies.  
- 10
- 9

Many citizens are well-informed of individual government policies.  
- 8
- 7
- 6

Few citizens are well-informed of government policies; most citizens have only a rudimental knowledge of policies.  
- 5
- 4
- 3

Most citizens are not aware of government policies.  
- 2
- 1

Citizens are constantly informed about government policies through the tightly controlled state media, and political education (sometimes also called moral education) is a key component of the school curriculum. However, this does not enable them to evaluate government policy-making adequately and independently.
How many parliamentary committees are there?

The underlying assumption is that a parliament with a sufficient number of committees is better able to discuss bills, whereas too many committees may lead to fragmentation. Based on comparative studies, 12 – 18 committees are considered optimal. Please consider only regular parliamentary committees, not committees established ad hoc to investigate specific questions.

Total parliamentary committees: 7 (seven)

There are seven committees within the National Assembly (Law; Economy and Budget; Science, Technology and Environment; Foreign Affairs; Security and National Defense; Culture, Education, Youth and Teenagers; and Social Affairs). In addition, an Ethnic Council could possibly be listed as an eighth committee.

The Standing Committee of the National Assembly, an executive body, should not be confused with the legislative committees.
How many members does a parliamentary (sub-)committee have on average?

It is assumed that parliamentary committees can best respond to their task of control if they have neither too many nor too few members. Based on comparative studies, 13-25 committee members are considered optimal.

Please consider only regular parliamentary committees, not committees established ad hoc to investigate specific questions.

Average number of committee members: unknown

The National Assembly’s official website does not list the members of the seven legislative committees.

Where subcommittees exist, average number of subcommittee members:

There is no mention of subcommittees on the official home page of Vietnam’s National Assembly.
How many committee chairpersons nominated by the governing party (or parties) are appointed?

This question addresses the influence of governing parties in parliament. Please consider only regular parliamentary committees, not committees established ad hoc to investigate specific questions.

Total nominated / appointed committee chairpersons: seven

All seven committee chairpersons are appointed by the ruling party.
How large, on average, is the deputy’s expert support staff?

This question seeks to measure the capacities of parliamentary deputies.

Expert support staff size: n/a

The National Assembly is made up both of full-time and part-time deputies. Full-time deputies work with staff in various offices subordinate to the Office of the National Assembly to perform their duties. Part-time deputies do not have expert support staff available to them. Deputies share staffed central office facilities in their home provinces; the number of support staff in these offices is unknown.
How many expert support staff members work for the legislature (including legislature´s library)?

This question seeks to measure the capacities of the parliament.

Total parliamentary expert support staff: n/a

The number of expert legislative support staff members is unknown. The National Assembly home page includes an organizational chart listing 33 separate offices, divisions and units subordinate to the Office of the National Assembly.
Are parliamentary committees able to ask for government documents?

Please assess whether parliamentary committees are de facto, not only legally, able to obtain the documents they desire from government. Specify if you consider the rights of committees limited. This question considers regular parliamentary committees only, not committees established ad hoc to investigate specific questions.

Parliamentary committees may ask for most or all government documents; they are normally delivered in full and within an appropriate time frame.

- The rights of parliamentary committees to ask for government documents are slightly limited; some important documents are not delivered or are delivered incomplete or arrive too late to enable the committee to react appropriately.

- The rights of parliamentary committees to ask for government documents are considerably limited; most important documents are not delivered or delivered incomplete or arrive too late to enable the committee to react appropriately.

- Parliamentary committees may not ask for government documents.

The right of National Assembly committees to request access to government documents is not explicitly codified.
Are parliamentary committees able to summon ministers for hearings?

Please assess whether parliamentary committees are de facto, not only legally, able to summon ministers to committee meetings and to confront them with their questions. Please specify if you consider the rights of committees limited. This question considers regular parliamentary committees only, not committees established ad hoc to investigate specific questions.

Parliamentary committees may summon ministers. Ministers regularly follow invitations and are obliged to answer questions.

Parliamentary committees may summon ministers. Ministers regularly follow invitations and are obliged to answer questions.  

The rights of parliamentary committees to summon ministers are slightly limited; ministers occasionally refuse to follow invitations or to answer questions.  

The rights of parliamentary committees to summon ministers are considerably limited; ministers frequently refuse to follow invitations or to answer questions.  

Parliamentary committees may not summon ministers.
National Assembly deputies have the right to question the state president, the president of the National Assembly, the prime minister and other members of the government, the chief judge of the Supreme People’s Court and the head of the Supreme People’s Procuracy. The persons thus summoned have the responsibility to appear before the NA.

The questioning of ministers is one area in which the NA has become more assertive (in addition to taking modest steps toward more autonomy in legislative review and budgetary approval). Questioning takes place regularly, and is often televised. For example, during the sixth National Assembly Standing Committee session in March 2012, the minister of home affairs faced questions dealing with recruitment, training, and policies for state workers, and with potential approaches to building the capacities of grassroots-level administrations. Similarly, the health minister answered questions about medical ethics and measures for developing human resources within the medical sector. In November 2010, Prime Minister Nguyen Tan Dung had to answer questions about the collapse of the Vinashin shipbuilding firm.

However, a distinction must be made between deputies’ right of interpolation and that of National Assembly committees. Legislative committees do not conduct hearings and have no power to compel a minister to appear before them.
Are parliamentary committees able to summon experts for committee meetings?

Please assess whether parliamentary committees are de facto, not only legally, able to invite experts to committee meetings. Please specify if you consider the rights of committees limited. This question considers regular parliamentary committees only, not committees established ad hoc to investigate specific questions.

Parliamentary committees may summon experts. 10 □
9 □

The rights of parliamentary committees to summon experts are slightly limited. 8 □
7 □
6 □

The rights of parliamentary committees to summon experts are considerably limited. 5 □
4 □
3 □

Parliamentary committees may not summon experts. 2 □
1 □

Legislative committees do not conduct public hearings, and thus have no right to call on experts for meetings. There is no record of outside experts being called to assist or give testimony to legislative committees.
To what extent do the task areas of parliamentary committees and ministries coincide?

If the task areas of parliamentary committees match the task areas of ministries, each parliamentary committee may focus on monitoring the activities of its corresponding ministry, thereby increasing the control capacity of the legislature. There are two possible ill-fitting constellations between committee and ministerial portfolios. If there are fewer committees than ministries, the committees may be overburdened with monitoring ministerial activities. If there are more committees than ministries, control responsibilities are split and the parliament may act non-cohesively.

This question considers regular parliamentary committees only, not committees established ad hoc to investigate specific questions.

The task areas of parliamentary committees and ministries fully coincide.  
Parliamentary committees monitor ministries effectively.  

The task areas of parliamentary committees do not fully correspond to the task areas of ministries. Parliamentary committees are largely capable of monitoring ministries.  

The task areas of parliamentary committees do not correspond to the task areas of ministries. Parliamentary committees fail to monitor ministries effectively.  

The task areas of parliamentary committees differ widely from the task areas of ministries. Parliamentary committees frequently fail to monitor ministries effectively.
The National Assembly's seven committees (Law; Judiciary; Economy and Budget; Science, Technology and Environment; Foreign Affairs, Security and National Defense; Culture, Education, Youth and Teenagers; and Social Affairs) mirror the task areas of the ministries to a great extent. However, committees have a broader thematic focus given that there are twice as many ministries. Committees do not yet have the capacity to monitor the work of ministries independently.

Parliamentary committees and ministries mainly interact in the process of drafting laws. Legislative initiatives originate in the Council of Ministers. The process begins with the appointment of a lead executive agency to take responsibility for the drafting of the legislation, as well as a drafting committee. The lead executive agency is often a ministry, while the drafting committee typically includes representatives from a number of organizations, and is hence broader-based than the lead agency. The drafting committee normally includes a representative of the relevant National Assembly committee.

The next step in the process begins when a first draft of the legislation is ready for appraisal. In preparation, the lead executive agency passes the draft law to the relevant National Assembly committees or to the Ethnic Council. The National Assembly Standing Committee assigns the most appropriate specialist committee to serve as “lead committee” in appraising the draft, though several National Assembly committees are often involved in the appraisal process. Once the relevant specialist committee has completed its work, the draft law is debated for the first time on the floor of the National Assembly (summarized from Martin Gainsborough et al., “Promoting Efficient Interaction Between the National Assembly and Civil Society in Vietnam,” June 2011).
To what extent is the audit office accountable to the parliament?

This question assesses the extent to which the parliament can rely on its own auditing capacities.

The audit office is accountable to the parliament exclusively.  

The audit office is accountable primarily to the parliament.  

The audit office is not accountable to the parliament, but has to report regularly to the parliament.  

The audit office is governed by the executive.  

The State Audit Office (SAO) is a governmental audit organization. The auditor general is appointed by the government and is accountable to the prime minister, who has the power both to remove this figure from office and control the SAO’s annual budget. The SAO is independent of other legislative, judicial or investigation agencies.

During the reporting period, there were no instances in which the head of the State Audit Office appeared before the National Assembly to answer questions from deputies.
Does the parliament have an ombuds office?

This question asks whether parliaments have institutions that listen to the concerns of citizens, publicly advocate the issues raised by citizens and initiate governmental action to address them.

The term “ombuds office” is used here as a label representing these functions and may be institutionalized in different organizational formats. Please also consider possible functional equivalents and substantiate your answer.

The parliament has an effective ombuds office.  

The parliament has an ombuds office, but its advocacy role is slightly limited.  

The parliament has an ombuds office, but its advocacy role is considerably limited.  

The parliament does not have an ombuds office.  

The National Assembly has a body known as the Ban Dan Nguyen, which is variously translated as the Office or Department for People’s Aspiration or the Ombudsman’s Office. This body receives letters of complaint and similar communications from the public. It is a department within the Office of the National Assembly, and not a legislative committee.
To what extent do the TV and radio stations in your country provide substantive indepth information on decisions taken by the government?

This question seeks to assess the extent to which the media provide contextualized information, analysis and background information that enables the broader public to evaluate the government’s decisions. For reasons of comparability and simplicity, the question focuses on:

(1) your country’s main TV and radio stations (excluding all other electronic and print media as well as pure news channels) and

(2) decisions taken by the government (and not political issues or the political process in general). A lack of in-depth information is not tantamount to a complete lack of information but to the dominance of “infotainment programs” framing government decisions as personalized power politics and diverting attention from the substance of decisions to entertaining events and stories.

The main TV and radio stations every day produce high-quality information programs analyzing government decisions.

The main TV and radio stations produce a mix of infotainment and quality information programs. Programs with in-depth information on government decisions comprise between five and seven hours a week.

The main TV and radio stations produce many superficial infotainment programs. In-depth information on government decisions is limited to programs lasting between three and five hours a week.

The main TV and radio stations are dominated by superficial infotainment programs. In-depth information on government decisions is limited to programs lasting between one and three hours a week.
Like the entire media sector, Vietnam's television sector is tightly controlled by the party-state apparatus, and serves as a tool to disseminate official information. This means that TV stations provide extensive information on government decisions, but reports lack independent analysis.

Radio and TV organizations report on the activities of the National Assembly and include portions of the question-and-answer period. Deputies are regularly interviewed for their views. Retired officials and outside experts are asked to comment on legislation. The term superficial may not capture the character of what is reported, as much of it is factual and representative of official government policy; however, coverage of government decisions lacks the depth given to formal National Assembly proceedings.
To what extent do the electoral programs of major parties in your country propose plausible and coherent policies?

This question seeks to assess the quality of parties’ policy proposals by analyzing the electoral programs of parties. It is assumed that programs document a party’s capacity to formulate policies and to engage in a programmatic competition with rival parties.

Two criteria of quality are given: a proposal is plausible if its underlying problem diagnosis, the suggested policy instruments/measures, policy objectives and expected policy impacts are reasonably linked with each other; a proposal is coherent if it does not contradict other proposed policies.

Your evaluation will imply an assessment about whether proposed policies are likely to work, although the question is more focused on the plausibility of policy proposals. Please avoid an assessment of objectives pursued by individual parties, their appropriateness, desirability etc. “Major” parties are conceived here as parties supported by more than ten% of the voters in the last national elections.

Most electoral programs propose plausible and coherent policies. 10 □ 9 □

Many electoral programs propose plausible and coherent policies. 8 □ 7 □ 6 □

Few electoral programs propose plausible and coherent policies. 5 □ 4 □ 3 □

Most electoral programs do not propose plausible or coherent policies. 2 □ 1 □
There is only one legal party, the Communist Party of Vietnam (CPV). It does not formally participate in elections for the National Assembly. Individual party members stand as candidates for election. The CPV does not issue a political program or platform when National Assembly elections are held. This question is thus inapplicable.

The CPV does have a political program, but this is for internal party affairs only. It is revised every five years, in advance of national party congresses.
To what extent do economic interest associations propose reasonable policies?

“Reasonable” policy proposals identify the causes of problems, rely on scholarly knowledge, are technically feasible, take into account long-term interests and anticipate policy effects. These criteria are more demanding than the criteria used to evaluate party programs as interest associations can be expected to represent a specialist, substantive policy know-how.

The assessment should focus on the following interest associations: employers’ associations, leading business associations, trade unions.

Most interest associations propose reasonable policies.  

| 10 | 9 |

Many interest associations propose reasonable policies.  

| 8 | 7 | 6 |

Few interest associations propose reasonable policies.  

| 5 | 4 | 3 |

Most interest associations do not propose reasonable policies.  

| 2 | 1 |

The Vietnam Chamber of Commerce (VCC), although a member of the Vietnam Fatherland Front (VFF), is the only member of the VFF to finance itself. The VCC leadership often proposes and/or comments on economic policy. Its proposals are reasonable, as its key leaders have long experience in government. Vietnam’s trade unions are grouped into a General Confederation of Trade Unions, which in turn is a member of the VFF. This body is not independent of the state. It does provide policy advice when requested and its advice is reasonable.

Most interest associations do not propose policies, although the few that do tend to make reasonable proposals.
To what extent do non-economic interest associations propose reasonable policies?

“Reasonable” policy proposals identify the causes of problems, rely on scholarly knowledge, are technically feasible, take into account long-term interests and anticipate policy effects. These criteria are more demanding than the criteria used to evaluate party programs as interest associations can be expected to represent a specialist, substantive policy know-how.

The assessment should focus on the following interest associations: social interest groups, environmental groups and religious communities.

<table>
<thead>
<tr>
<th>Most interest associations propose reasonable policies.</th>
<th>10 □</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 □</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Many interest associations propose reasonable policies.</th>
<th>8 □</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 □</td>
<td></td>
</tr>
<tr>
<td>6 □</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Few interest associations propose reasonable policies.</th>
<th>5 □</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 □</td>
<td></td>
</tr>
<tr>
<td>3 □</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Most interest associations do not propose reasonable policies.</th>
<th>2 □</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 □</td>
<td></td>
</tr>
</tbody>
</table>

Most interest associations do not propose policies. Environmental groups have become active over the issue of bauxite mining, but this did not take place during the period under review. Other environmental groups have been active in criticizing industrial pollution by foreign companies (particularly Taiwanese and South Korean firms). However, they have largely confined themselves to protest, and do not propose policies. The Unified Buddhist Church of Vietnam, an officially banned body, consistently offers advice on religious freedom and repressive laws. The policies proposed are highly contentious and are not viewed by the party-state as reasonable. Small social interest groups have coalesced around blog sites to comment on current affairs. During the period under review, the
state acted to repress social interest groups, environmental groups and religious organizations that advocated any form of political pluralism, human rights protections and/or religious freedom.
Address | Contact

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh
Germany
Phone  +49 5241 81-0
Fax    +49 5241 81-681999

Dr. Daniel Schraad-Tischler
Program Shaping Sustainable Economies
Phone  +49 5241 81-81240
daniel.schraad-tischler@bertelsmann-stiftung.de

Najim Azahaf
Program Shaping Sustainable Economies
Phone  +49 5241 81-81411
najim.azahaf@bertelsmann-stiftung.de