

FIRST DRAFT

The 'misery' of implementation:
Governance, institutions and anti-corruption in Vietnam

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Abstract

Implementation of anti-corruption programs is plagued by a paradox: the very actors posited to be the source of the problem are those most critical to implementation success. This paper presents a framework for understanding the large gaps that exist between policy intentions and outcomes in anti-corruption programs. It applies this to 'grassroots democratization' as an anti-corruption initiative in Vietnam, a high-profile policy mandating greater transparency in local budget use and participation in decision-making. Local leaders in this case face weak incentives for implementation that stem from both poor policy design and local institutional environments. But as with many anti-corruption programs in adverse environments, potential exists for the initiative to provide tools with which reform-minded leaders and social groups can challenge local governance practices in unanticipated ways.

Keywords: Policy implementation, corruption, governance, Asia, Vietnam

8,400 words

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1. INTRODUCTION

Economics may have earned the sobriquet of the ‘dismal science’. But the study of policy implementation is no sunnier. Pressman and Wildavsky captured the mood of early implementation research with inimitable flair in the subtitle to their classic text *Implementation* (1973): “How great expectations in Washington are dashed in Oakland; Or, Why it’s amazing that federal programs work at all.” Due to such seemingly depressing rendering of the great gaps between policy intentions and field-level realities, implementation research came to be characterized as “misery research, a pathology of the social sciences, if you will” (Rothstein, 1998:62).

The study of implementation as ‘misery’ has since been criticized as too much concerned with the often contradictory priorities and unreadable intentions of elite policy-makers in far-off capitals. Alternative methodologies that begin from the dynamic situation faced by ‘street-level bureaucrats’ have been added to the range of tools open to the study of implementation. Yet concern over ‘implementation gaps’ is still a relevant starting point for cases where there is a strong normative appeal and urgency to the policy content under consideration.

Anti-corruption policies and programs are a good example. Corruption – almost everyone agrees – is a serious problem afflicting nearly all developing countries. If ‘governance matters’ (Kaufmann and others, 1999) – to the private sector, to poor and vulnerable populations and to the viability of democratization efforts – then anti-corruption efforts are essential to improved development outcomes.

If various indices of corruption are to be believed,¹ Vietnam should be a country where the outcomes of anti-corruption policies should matter nearly the most. According to Transparency International’s well-known index, Vietnam ranks a dismaying 85 out of 102 countries in the world, and has the third-worst score in all of Asia (after Bangladesh and Indonesia) (TI, 2003). The Vietnamese press itself is no less forgiving. “To be poor is a misery,” lamented an opinion piece in the influential daily *Lao Dong*, “but to be poor because of corruption is a national humiliation.”²

This paper examines implementation problems in a high-profile anti-corruption policy initiated by Vietnam’s Communist Party leadership in 1997. The “grassroots democracy” (hereafter GD) decree of that year, coupled with implementation guidelines and a slew of government sponsored pilot activities, were an attempt to burnish the Party’s flagging image in the aftermath of localized demonstrations against local government corruption that had generated a worryingly high level of participation. I draw on recent advances in the policy implementation literature to construct a

¹ Such indices typically measure only the *perception* of corrupt practices on the part of expatriates. There are no survey-based assessments of corruption in Vietnam to date.

² Tet (New Year) special edition, 1999, p. 3.

framework for analyzing the implementation of grassroots democracy decree. This framework should be extendable to other anti-corruption policies; particularly nationwide efforts that attempt to make entrenched institutions more responsive to local surveillance and control. After presenting a conceptual framework in the first three sections below, I describe and assess the decree and its implementation. The final section asks what lessons would-be reformers can draw from the study of implementation as ‘misery’ in order to improve the performance of similar national anti-corruption programs.

The paper concludes that GD as practices in Vietnam has a flawed design that fails to address the incentives of front-line implementers (local People’s Committee executives), and that these incentives that have deep roots in the country’s governance structure. However, there are indirect ways in which GD could contribute towards long-term improvements in local governance.

2. THE PROBLEM OF IMPLEMENTATION IN ANTI-CORRUPTION PROGRAMS

Corruption, presumably as rampant 25 or 50 years ago as today, has over the past ten years exercised the imaginations of developing country donors, non-governmental organizations (both national and international in scope), and senior leaders in governments (both authoritarian and democratizing) as never before. And there are good reasons for this. Corruption can be seen as central to various agendas that can make strange ideological bedfellows, such as the promotion of the private sector and as the watchdog role of civil society.

What are anti-corruption strategies meant to accomplish? The answer partly depends on the diagnosis of the root problem. Two broad lines of research can be distinguished. In the first, corruption is viewed in terms of individual decision-makers – either senior or field-level – with limited accountability for their actions and monopoly decision-making power in a particular field. Robert Klitgaard (1988) famously concluded that corruption results from the confluence of decision-making discretion and monopoly power of an agency minus accountability (“ $C = D + M - A$ ”). To address the determinants of corruption in this view requires tighter controls on administrative procedures, rule-based decision-making and the introduction of competitive markets for public services.

A second category of anti-corruption strategies looks at state capture, when “corrupt people control the regulatory process and, from the top, make laws, policies and regulations that specifically benefit them” (Holloway, 2002:6). Governance is more centrally implicated in the corruption problem, and governance reforms that introduce more substantive democracy and citizen control as a counterweight to the power of elites take center stage.

Support for comprehensive *national-level* policies to combat corruption, as opposed to agency- or sector-specific work, has become a donor growth industry. National-level

strategies are intended to weaken in a coordinated way by addressing multiple, interlocking props supporting corrupt behavior in the public-sector environment. In theory, an overarching anti-corruption strategy would provide a legal framework, introduce new institutions to tackle corruption and provide incentives for civil society to take up a watchdog function (World Bank, 1999). Various Southeast Asian governments have responded both to multilateral advice/pressure and to popular pressure with anti-corruption commissions of various types. Many have passed legislation in the past few years meant to reduce the risks of corruption (Bolongaita, 2001).

In Vietnam, where the issue of corruption is highly sensitive due to fears it could destabilize the one-party regime in a rapidly democratizing region, donors have not been so prominent. Only in 2002 was it reported that the government had agreed to ask the assistance of one donor – the Swedish International Development Agency (SIDA), perceived to be a ‘safe’ partner for historical reasons including their long presence as a donor during the Vietnam war – in conducting a diagnostic study on the extent and causes of corruption. All anti-corruption policy initiatives to date in Vietnam have been internally driven. By 2002 the government claimed to have broad legislative props combating corruption in place, including the “Anti-corruption Law” passed in 1998 (amended in 2001), “Law Implementing Government Savings and Fighting Waste” and “Law on Civil Servants” with various asset disclosure requirements.

Proponents for various anti-corruption strategies acknowledge (in their more sober moments) the potential difficulties of implementation. The key difficulty here is what might be termed a kind of “orthodox paradox” of anti-corruption work, following Nelson’s (1990) term for the difficulties of implementing neo-liberal reforms. The successful implementation of anti-corruption reforms where there is heavy resistance implies autonomy of government action and high levels of political will to overcome resistance; yet these are exactly the conditions that are hampered by systematic corruption. Nevertheless, there are few studies of the implementation of national anti-corruption programs or strategies, in part because these are new initiatives and in part because the focus in donor circles arguably remains tied to a ‘cook-book’ approach, reflecting the can-do culture of the “positive practitioner” (Chambers, 1984).

3. MODELING IMPLEMENTATION IN NATIONAL ANTI-CORRUPTION POLICIES

Top-down and bottom-up explanations of ‘misery’

What can the implementation literature teach us about implementing national anti-corruption programs? Why do outcomes on the ground differ so greatly from policy intentions? In other words, how can we explain the ‘misery’ of implementation, both from the perspective of policymakers and implementers?

Two macro-perspectives on implementation have dominated the field since its emergence in the 1950s. Although several attempts at a synthesis have been made (Hill and Hupe, 2002), analysts often gravitate towards ‘top-down’ or ‘bottom-up’ styles of

explanation. The first stylized perspective adopts the metaphor of ‘implementation-as-control’. This so-called ‘top-down’ view is concerned with how the intentions of policy-makers are implemented at the grassroots. It can be described as a ‘correspondence’ theory of implementation in that it assumes a clear articulation of the intended policy exists and the conceptual and practical difficulty lies in how to transmit this intention faithfully down the line of bureaucratic command. Deviations at the field level from the intentions of policy makers count as an implementation ‘gap’ or ‘deficit’. Theorists adopting this perspective look for deficiencies in the way policies are communicated, and standards of implementation enforced, by policymakers to field-level implementers.

‘Bottom-up’ analysts (Lipsky, 1980), in contrast, begin with the assumption that ‘street-level’ bureaucrats often face an impossible task. Policy ambiguity, limited resources, and time pressures make it impossible to implement policies as intended and to fulfill the sense of public service with which most of them began their careers. Their response to this untenable situation is to “develop conceptions of their work and of their clients that narrow the gap between their personal and work limitations and the service ideal” (Hill and Hupe, 2002:52). To the extent that outcomes are deemed less than satisfactory from a policy maker’s point of view, this perspective would look for the reasons in the lack of resources and in the incentives embedded in the institutional environment faced by street-level bureaucrats.

Towards a synthesis

How can we adapt recent advances in implementation research to the diagnosis of implementation problems in national-anti-corruption programs? The goal of the analysis would be one shared by top-downers – to improve implementation. Yet I assume that local institutional conditions will be particularly binding on implementers of anti-corruption programs, faced with the ‘orthodox paradox’ of anti-corruption work defined above.

Figure 1. Modeling policy implementation

Sources: adapted from Van Meter and Van Horn, 1975: 463; Hill and Hupe, 2002:186; and Fritzen, 2000:14

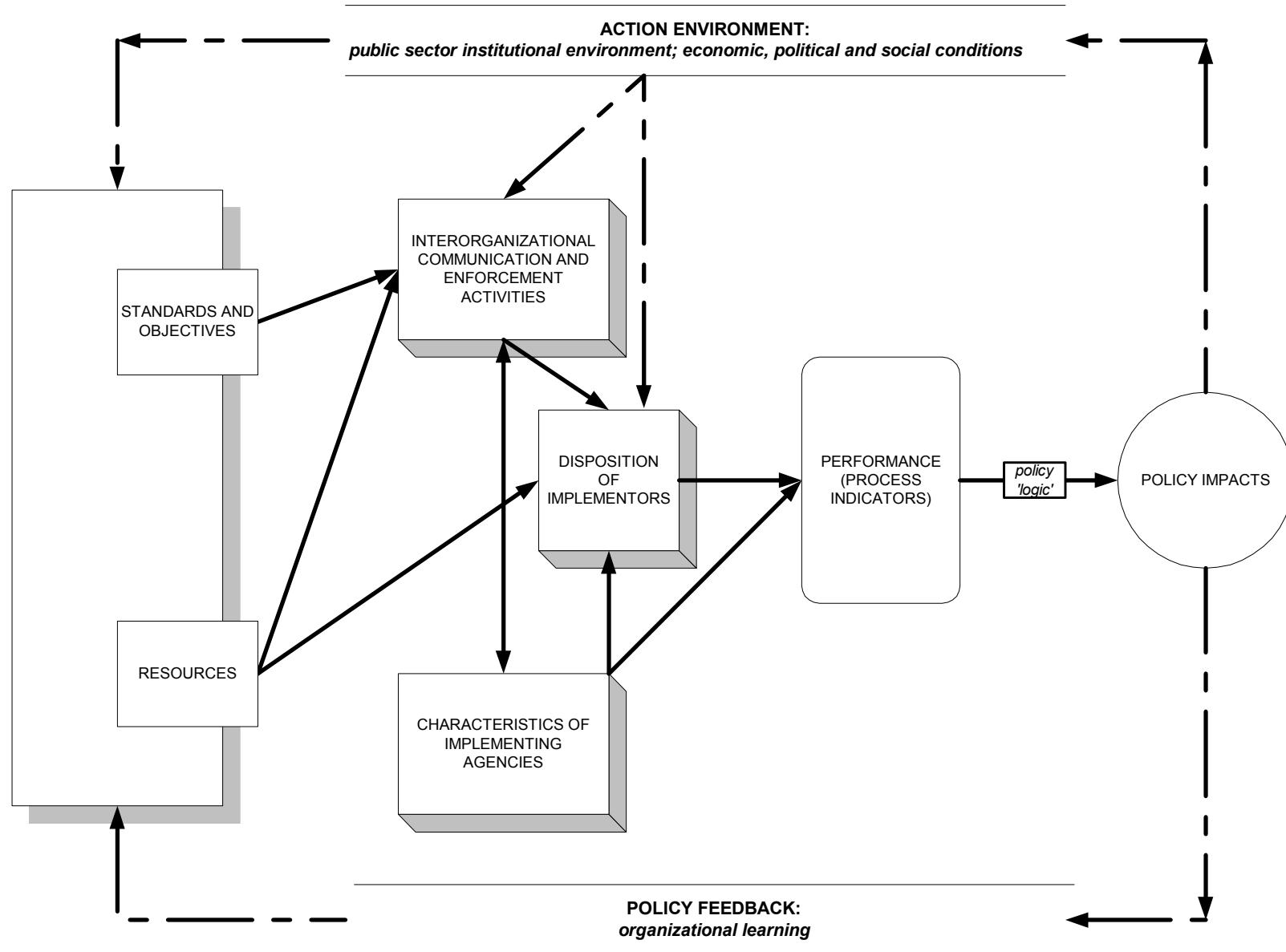


Figure 1 presents a model of implementation drawing on both bottom-up and top-down perspectives. It outlines five categories of variables linking policy formation on the left side to implementation outputs and outcomes on the right. It places heavy emphasis on the ‘disposition of implementers’, i.e. the cognitive maps, incentives and resources available to those ultimately responsible for implementing the most important provisions of the policy. Each of the following categories can be expressed as a set of questions aimed at identifying implementation problems.

1. *Policy design.* Within the policy design category, we can distinguish between policy content and resources available for implementation. Are clear, consistent statements of objectives and criteria for successful implementation provided in the legal framework underpinning the policy? And are resources sufficient for successful implementation made available, or a plan for resource mobilization in place?

2. *Inter-organizational communication and enforcement activities.* This category asks how the policy is communicated to lower levels, and within what framework of accountability? What levels of communication and enforcement effort is present?

3. *Characteristics of the implementing agencies / disposition of implementers.* The institutional characteristics of implementing agencies have a profound effect on how lower levels perceive and act on upper-level directives. The disposition of individual implementers is closely linked to the characteristics of agencies in which they are embedded. It is also affected by other factors, such as their potential for incentives from non-agency sources (including corrupt transactions; see Nachuk, 2000). This category thus delineates key aspects of agency culture and accountability relationships.

4. *Implementation outputs and outcomes/impacts.* The three categories above jointly determine implementation outputs, which are linked, more or less tenuously, to impacts on the defined problem via their ‘policy logic’. In other words, are there logically substantiated links between policy outputs – assuming perfect implementation – and the problems the policy is meant to address?

5. *Policy learning.* In reading figure 1, the feedback loops on the borders are important, as they make the model dynamic. The lower feedback loop concerns *policy learning*. The assumption is that programs may be redesigned both at key intervals in a formal process (the loop leading to policy redesign) and in a more informal, iterative process as local implementers adjust their expectations and behavior to the actual implementation situation they face (the arrow leading to implementer disposition).

6. *Action environment.* The upper feedback loop is via the *action environment* to all three of the determinants of implementation noted above. The action environment is here broken into components such as the public-sector institutional environment, political support, and social and economic factors. (All of these must be defined within the parameters of the policy at hand.) The influence of this environment lies in two areas. It structures or influences the formation of the policy in the first place. But there is a more dynamic sense as well. As policies work themselves out in a given

environment, they may affect the environment in ways that change – for the better or worse, depending on the perspective taken, and in intended or unintended ways – those action environment influences on implementation. For example, a program may over time empower a previously marginalized group to have a greater stake in a particular policy, changing the stakeholder alignment in ways that create new support or opposition to a policy.

Summary. The conceptual framework presented here is a way of structuring inquiry into observed implementation patterns of a particular policy. It incorporates some elements of both classically ‘top-down’ and ‘bottom-up’ approaches. The framework can be used to identify specific implementation constraints (as the top-down model stresses), but focuses much attention onto the institutional environment at the local level and the dynamic impacts (often unpredicted) of implementation.

The framework may be particularly relevant to anti-corruption programs, for several reasons. Since anti-corruption efforts are politically sensitive, they are likely to be closely monitored by powerful political stakeholders in the ‘action environment’, intensifying the feedback loops from implementation outputs to redesign. Moreover, the policy logic underlying anti-corruption programs is often tenuous given the multifarious potential types and causes of the phenomenon. Finally, the bottom-up perspective, emphasizing constraints embedded in the local institutional environment, may be particularly relevant for anti-corruption work and its ‘orthodox paradox’.

4. POLICY FORMATION UNDER PRESSURE: ‘GRASSROOTS DEMOCRATIZATION’ CAMPAIGN AS AN ANTI-CORRUPTION STRATEGY IN VIETNAM

‘Revolutionary fervor’ in Thai Binh?

Thai Binh province lies some 100 km Southeast of Hanoi in the fertile Red River Delta valley. The province prides itself on having been a locus of “revolutionary fervor”, in the words of a billboard outside the provincial capital, during the anti-colonial struggle. Several early leaders of the Communist Party hail from Thai Binh. At the central level, officials note the reputation of the province as having a high degree of grassroots organization; government-sponsored mass organizations are claimed to be particularly strong.

It was thus a shock to the leadership when, in mid-1996, reports of social “disturbances” in several Thai Binh districts began filtering through the mass media. The Party’s Youth Union newspaper, *Tuoi Tre*, then broke the story wide open with detailed articles noting “mass demonstrations” against local Government officials, linked to disputes over land allocation, the imposition of increasing numbers of fees and charges, and corruption by local officials, as well as a compulsory labor scheme. These

demonstrations were carried out with a considerable degree of organization and purposefulness, albeit at the very grassroots level.³

Smaller-scale disturbances in Thai Binh continued to be reported (only through non-official channels) into 1998 (EIU, 2000). These events continue to play a key role in the ever-changing line being negotiated between state and society, and the borders of acceptable criticism of the government. A respected retired general, Party cultural apparatchik and member of the Communist Party Central Committee, Tran Do – himself from Thai Binh – wrote a series of widely distributed, open letters calling for systemic Party reform based on the experience of Thai Binh. Though stopping short of calling for multi-party reforms, General Do was ultimately expelled for the Party (in January 1999) for espousing these views. Control over the ‘packaging’ of the Thai Binh ‘lessons learned’ thus became highly sensitive.

Rapid reform, growing inequalities

The Thai Binh ‘disturbances’ took place against a background of an economy that had posted some of the largest sustained rates of growth in the world over the 1990s. After seemingly interminable decades lost to war and later isolation and economic mismanagement, the closing decade of the 20th century was, in development terms, perhaps the greatest in Vietnam’s history. Vietnam enjoyed an average rate of economic growth of 7.6% over the decade, placing it among the fastest growing countries in the world, alongside its neighbor China. Yet economic reforms also brought significant dislocations, and the close of the decade found many examining Vietnam’s experience from a more critical angle. Despite conflicting evidence, inequality – particularly urban-rural and interregional – appears to have grown sharply over this period (NCHSS, 2001). Those with the wherewithal to succeed in a market-driven economy were doing so, while others struggled.

Concerns over institutional quality have also been pronounced. Some observers find the government’s commitment to the structural reforms necessary to recover high growth rates to be flagging (Riedel and Turley, 1999). Perceptions of corruption in officialdom, already ranked among the highest in the world, are on a steady upward trend.⁴ Some analysts began to paint a scenario of declining growth, increasing corruption and rapidly increasing inequality (Fritzen, 2002a).

Formation of the “grassroots democratization” policy

³ One official recalled that in one commune, residents had demolished a recently built bridge, and reconstructed it themselves, in order to prove that the cost of doing so was far beneath the figure which had been claimed by the local authorities (the assumption being the authorities had swindled the difference).

⁴ According to the Political and Economic Risk Consultancy’s surveys, perceptions of corruption in Vietnam among regional investors have increased from 1996-2001 from 7.78 (out of 10) to 9.75, highest in Asia. From www.asiarisk.com/lib10.htm.

Official reaction to the Thai Binh disturbances shifted over their course. The first, ‘knee-jerk’ reaction was to suppress all news coming out of the province. Foreign reporters were barred from the area. The national press was also censored, and the editor of *Tuoi Tre* disciplined. Events were vaguely blamed on ‘external elements’ seeking to undermine the government. But central authorities soon found they could hardly stem the tide of information; they thus sought to direct that tide. In self-critical pronouncements of senior statesmen, Thai Binh became a widely publicized example of corrupt *local* Party cells and government (Kerkvliet, 2001).

But the major official response began approximately one year after the first outbreaks, the disturbances became the impetus behind national level policy reform calling for the “grassroots democratization” [*dan chu hoa tai co so*] of the commune level, and improved laws aimed at facilitating citizen “complaints and denunciations” [*khieu nai to cao*] of corrupt local officials. The charge was led by conservative General Secretary Le Kha Phieu, who emphasized the danger of corrupt local officials causing the people to ‘lose confidence’ in the Party. The grassroots democracy (hereafter GD) decree of 1998 was the ultimate legal expression of the campaign, and it dovetailed nicely with Hanoi’s official post-mortem on Thai Binh – that the problem of corruption was one of a few bad apples in the Party (as opposed to being widespread), and that most of the bad apples were to be found in various tiers of local governments (as opposed to the center). Viewed this way, the problem of controlling corruption was one of asserting control and better internal vigilance over the Party and local government apparatus, and the Party viewed the GD as one way of doing this.

Expressed in several directives⁵ issued from 1997 on, the policy mandates that local governments take all necessary steps to ensure that procedural democracy is respected at the local government level. Particular attention is given to ensuring that all government investments (particularly specific-purpose central government transfers, or ‘national programs’) at the grassroots, and all taxes and labor contributions, are implemented equitably and transparently. The decree and accompanying implementation guidelines are an attempt to set clearer local governance standards in areas of great practical concern to villagers. In this way, GD has become the idiom of choice for donors, the government and the state media for the importance of ‘downward accountability’, a focal point for discussions on governance in the late 1990s (Fritzen, 2001b; World Bank and others, 2000).

The ‘policy logic’ of the grassroots democratization as an anti-corruption tool

⁵ E.g.: 30 CT/TW of the Standing Committee of the Politburo on social mobilization that introduced the major slogan “The people know, the people discuss, the people implement, the people monitor”; Decree on Grassroots Democratization, 45/1998/NQ-UBTVQH10, issued by the standing committee of the 10th National Assembly on 26/2/1998; and Regulations on the Implementation of Democratization at the Commune Level, ND29/1998/ND-CP issued on 11/5/1998.

More importantly for the discussion at hand, GD has become the focal point for the government's own national anti-corruption strategy. Clearly, the central leadership is putting great weight on this particular strategy to combat corruption and control the perception that corruption is gyrating out of control in the countryside.

Grassroots democratization is intended to combat corruption via four mechanisms. The first is via provisions meant to increase the transparency of budget and special program allocations. According to the implementation guidelines of the decree, the people [*nhan dan*] must be informed of all laws, policies, plans and decisions of each level of the government, including all local budget allocations (section 2). In addition, their opinions regarding these matters "must be considered and incorporated adequately" by the People's Committees or People's Councils (the executive and representative bodies of local government in Vietnam, respectively) (section 5). Thus, the commune budget is to be published and posted, and a full accounting of various expenditures made.

The second mechanism is via increased participation of 'the people' in decision-making and the establishment of various procedural safeguards (section 3). Villagers have the right to discuss and decide directly on all matters "that have a direct impact on their interests and responsibilities", with special emphasis given to small-scale infrastructure works. For significant local works, at least two-thirds of the total population of a village must be present for a village meeting deciding on various aspects of the scheme, such as location, community contribution rates, and the establishment of implementation and monitoring boards.

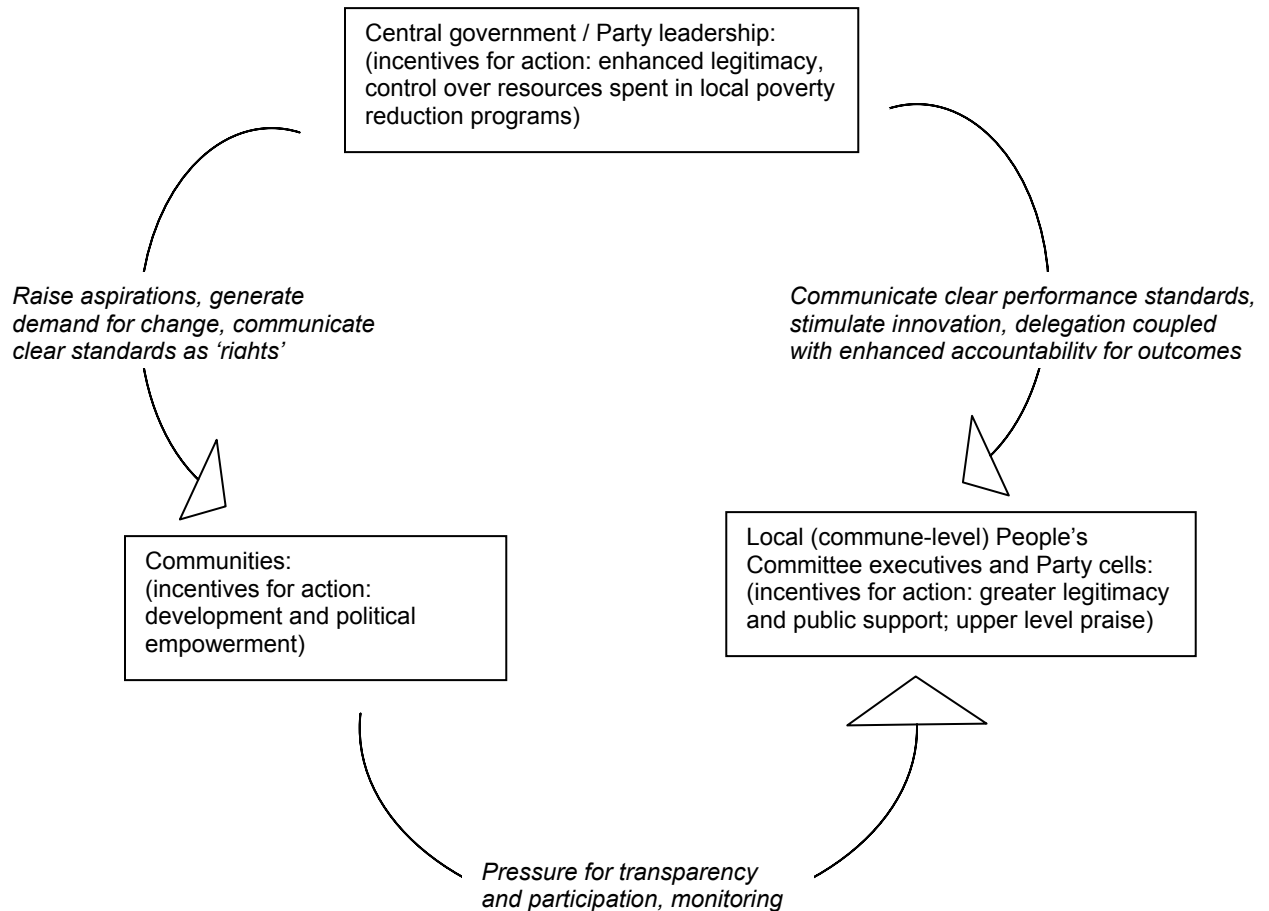
Third, the decree foresees an active role of the people in policing or monitoring local government, and lodging complaints where the law has been broken. Several means for monitoring and inspection are indicated, including specific mechanisms for "complaints and denunciations directly or through an inspection board of the people" in cases of any abuse of power or corruption on the part of local officials. Local authorities must "receive complaints by the people and deal with the people's recommendations, complaints and denunciations in accordance with the law" (chapter 5).

A final mechanism is already implied in the title of the decree. Although not a formal level of government, the village is recognized as the "basic residential and social unit with a long and sustained history in Vietnamese society; it is the level at which democratization can be most directly and widely implemented" (section 6). Village leaders should therefore be elected and have the basic responsibility to "look out for the interests of the people, organize the activities of the village in cooperation with the mass organizations; and report violations of people's rights and the law."

Figure 2 captures schematically the implied 'policy logic' of GD as an anti-corruption strategy. Central level officials directly empower communities with knowledge of their democratic rights (in terms of participation, decision-making and monitoring), while attempting to hold lower government officials accountable for implementing these rights. Pressure on local government should thus come from above (the central government leadership) and below (a newly emboldened populace 'armed' with the GD

decree). Potential gains for the central level (better control over local government and an burnished image among the populace) and for communities (more effective use of development funds and political empowerment) are clear and plausible in this scenario.

Figure 2: Modeling state-community synergies implied by grassroots democratization



Source: Adapted from World Bank (2001:112)

But will local government implementers actually feel the hypothesized pressures and respond accordingly? That would appear to be the critical question on which the viability of the decree as an anti-corruption strategy depends. To examine it, I turn now to some initial evidence on how GD has been implemented over the past three years.

5. IMPLEMENTING GRASSROOTS DEMOCRATIZATION

Very limited evidence exists with which to assess GD implementation. The policy initiative is considered only slightly less politically sensitive than the underlying issue of local corruption itself; as a result, few outsiders are allowed to conduct research directly

on this topic. The Communist Party, which rarely cooperates directly with foreign analysts, is the primary ‘implementing agency’ at upper levels. And the policy is of a ‘framework’ nature; there are no specific programs directly funded and implemented by the decree itself. One must therefore look to more indirect evidence of implementation.

The most promising grounds on which to look for such evidence are special community-based infrastructure programs, such as the government’s 135 Program (see below). These are typically funded by the national government, and selected, designed and implemented by local governments (primarily communes). Small-scale infrastructure is relevant to the assessment of grassroots democratization for a number of reasons. First, it is highly visible to the local population and even more likely than other sectors to suffer from corruption, notably in the awarding of contracts with significant cost overruns. It is no accident that the Thai Binh ‘disturbances’ were ignited by allegations of widespread fraud in the use of community infrastructure funds.

Second, a national program – a block-grant transfer from the central government for which decision-making discretion is delegated to district or commune People’s Committees – figures prominently in this sector, through program 135. This program, which first saw implementation in 1999, targets 20% (roughly 2,000) of the country’s poorest communes, selected (somewhat subjectively) on the basis of overall socio-economic development, for block grants of roughly US\$20,000 per commune per year, sustained for several years. The funds are to be used for any community-based infrastructure, such as markets, roads or schools, selected ostensibly through a process of community consultation and voting. The 135 Program is consistent with GD goals in that it departs from previous, highly centralizing planning modalities and attempts to set standards for budget transparency and community participation at the local level.

The following assessment is based on fieldwork in three provinces (Yen Bai, Quang Tri and Dak Lak) of the Northern Uplands, Central Coast and Central Highlands regions, respectively, carried out in 2000 and 2001 (Fritzen, 2001a). The fieldwork was brief (one week per province) and exploratory, but benefited from good access to officials involved in 135 implementation from all four levels of the Vietnamese administrative system.

The ‘standard’ administrative system in Vietnam can be characterized in simplified form as follows. Lower levels each year to forward requests for resources to higher levels that consolidate these requests and send them to yet higher levels, before allocation decisions (based on budget availability) are made and communicated downwards. Within such a system, localities – particularly at the commune and village levels – find it very difficult to predict allocations for certain essential investments supporting poverty alleviation (such as revolving credit programs and agricultural extension and marketing assistance). In all such areas, the typical requests of localities are far greater than the availability of funds, in large part because there is little transparency in the decision-making process, and therefore meaningful prioritization of projects at the local level becomes impossible. Low funding predictability and decision-making power have led to the two phenomenon, much discussed by Vietnamese analysts, of ‘asking and giving

permission' [*co che xin-cho*] and of lower levels being "passively dependent" on upper levels to provide initiative to solve local problems [*nan y lai*]. Both formulations imply that centralization coupled with a lack of predictability leads to bottlenecks in practice and weak incentives for local innovation and resource mobilization (Fritzen, 2001a).

The 135 Program departs from the "standard" formula in that it is a transfer program based on a benchmark indicator, known to all communes, of the equivalent of approximately US\$20,000 to be allocated per commune. This implied promise of stable resource availability under the program has been highly popular with the communes selected to receive the funds.

Yet implementation has been disappointing in several ways that make limitations to the GD approach clearly evident. The 135 program does not transfer the block grants directly to the *commune* level, but leaves discretion over the actual division of funds among communes to provincial- and district-level officials, who intervene extensively in the inter-commune allocation, with no formula involved. In discussions with provincial and district officials in three provinces visited and at the central level, two reasons consistently emerged for the lack of enthusiasm over moving towards a commune-controlled block grant. The first is the "low level of education" [*trinh do thap*] of commune residents, particularly minorities, in the poorest areas. Commune-level officials and residents were not considered to possess sufficient skills sets to manage decentralized funds, even for relatively small-scale infrastructure works. The second, related reason offered is that local people, if given the chance, were likely to make plans that deviated from the overall socio-economic development blueprints of districts and provinces; they were, in the phrase of the Ministry of Finance official, "unable to objectively assess their own needs" (Fritzen, 2002b:15).

A second challenge facing programs such as the Program 135 – one directly addressing the rationale of the grassroots democratization (GD) decree – concerns the degree of transparency and inclusiveness of decision-making over the use of the funds at the local level. Making decision-making transparent implies that trade-offs between alternative investments be squarely addressed, often through some process of inter-village consultation in the case of commune-wide investments. Doing so in a way that includes relatively vulnerable households is a challenging task that places great demands on program design and local capacities, for two reasons. Communities themselves are heterogeneous (often split between better-off and poorer households; men and women; various ethnic groups; more and less remotely positioned hamlets and households etc.) and institutional incentives for those who are more powerful include those who are less powerful, and for upper-levels to monitor the *quality* of local decision-making processes, are often very weak or non-existent (Fritzen 2000).

The guidelines for the 135 Program stipulate a method for reaching decisions including a participatory planning process for its commune-level block grants, based on GD principles. Key features of this process are based on the GD decree, including: *i*) the convening of village level meetings with prescribed quorums for reaching decisions, and *ii*) transparency in budget allocations, through a public acquittal of the national program

funds. Yet neither of these stipulations were followed in practice in the several localities visited in the three provinces. Officials claimed they were either impracticable (since administrative fees for the program had been severely restricted at the insistence of the National Assembly, concerned over corruption and efficiency), or unnecessary (since local officials knew better than the local population what the highest priority investments were).

6. EXPLAINING IMPLEMENTATION BARRIERS IN GRASSROOTS DEMOCRATIZATION

Thus the limited evidence available suggests Program 135 has been implemented in a strikingly ‘top-down’ manner (Jorgensen and Bergstedt, 2001; Pairaudeau, 2000). Decision-making over which infrastructure projects are to be funded appears to be dominated in most cases by a few district-level officials and commune officials. It is highly improbable that the situation would be better in other, less high profile, sectors and programs.

This section analyzes implementation barriers suggested by a review of stakeholder incentives based on interviews with officials at each level of government. To do so, it examines the policy logic summarized by figure 2, and applies the model of implementation processes shown in figure 1 to see where potential disjunctions may lie. To be effective, the GD would require a conducive policy environment at the central level, appropriate inter-organizational design, and – a crucial and often unexamined feature – consistency with the incentives and interests of major stakeholders in the implementation process.

Policy design

Is the policy design of GD appropriate as an anti-corruption tool? Another way of asking this is, could the decree contribute to cleaner local governance if implemented as intended? Three points suggest that even at the level of design, the decree has serious problems.

First, grassroots democratization as currently formulated is primarily a symbolic or ‘ideological’ policy (Quick, 1980:42) – one espoused by the political elite in order to cement its legitimacy which has multiple, ambiguous, non-prioritized and largely non-measurable goals. Although implementation guidelines for GD have been issued, these are not linked in a specific way to the implementation of specific national programs – the major source of intergovernmental transfers – even in cases where doing so would be highly consistent with GD’s policy logic.

Second, the decree is arguably based on an incomplete view of what is driving corruption overall in the Vietnamese governance context. It targets lower governmental levels, when in fact corruption is likely to be more systematic and to induce greater losses at upper levels. Local officials are not in a prime position to capture illegal rents

associated with major infrastructure projects, for instance, as these are always decided by provincial or ministry officials.

Third, the policy assumes that local people will be willing to take up complaints against local officials and to insist upon their 'rights' (to information and participation) granted under the decree. That is highly questionable (a point explored further below).

Intergovernmental communication and enforcement activities

The decree has undoubtedly been communicated as a high political priority by the national media. However, commune level officials interviewed showed a weaker understanding of the decree; two commune level People's Committee chiefs had to be 'reminded' by district officials present what the decree actually was. "Oh yes," said one after an uncomfortable pause, "the one we had the meeting about in the district?" (Fritzen, 2001a:21) Vertical chains of communication may in fact be quite weak, since again the policy is not being consistently linked to intergovernmental transfers or national programs, where the influence of the central government is strong.

If the communications picture is mixed, that for "enforcement" is decidedly bleak. Pilot activities are largely exhortatory. There has been no attempt in the pages of the *Tap Chi Cong San* – the major Party organ for serious analysis of public administration reforms – to outline a realistic enforcement strategy for upholding minimum standards. Moreover, existing information systems monitoring the performance of local governments are overwhelmingly quantitative in nature, not *process-oriented* (as would be required to monitor implementation of the decree).

Finally, Vietnam lacks an overarching decentralization policy facilitating the transfer of meaningful decision-making to lower levels of government. The design of the implementation of programs such as 135 tends as a result to be dominated by bureaucratic politics, where opposition to transparent and participatory decision-making is likely to be strongest (Grindle and Thomas, 1991; Fritzen 2002b:653).

Characteristics of implementing agencies / disposition of implementers

There are two key implementing agencies for grassroots democratization: technical agencies and the 'coordinating executives' at local level, i.e. key personnel (typically the chief or vice-chief) of the People's Committees. The former are concentrated at the deconcentrated, district-level offices of the line agencies, while it is the commune level where the coordinating executives can have the biggest impact on GD implementation.

Technical agencies. The technical agencies are essential to implementation of GD, since they are directly tasked with delivering goods and services to communes and villages. For grassroots democratization to be realized, technical officials will have to be coordinated by district- and commune-level 'executives' (People's Committee chiefs and deputies, etc.) to take account of both local needs and a participatory process of implementation. Yet incentives for participatory, transparent implementation are dull at

both senior (ministry and provincial level) and local (district) levels of technical line agencies.

Grassroots democratization is a heavily *process*-oriented and *decentralized* initiative. Several characteristics of Vietnamese (and undoubtedly other) line agencies lead them to a organization-wide preference for quantifiable inputs that are centrally planned (Nguyen, 1999; van Arkadie, 1993):

- ❑ A marked distrust of the lower-level technical capacities, this being by far their most common explanation of implementation gaps encountered in major programs. Related to this is a fear that lower levels will misuse any discretionary power granted to them – for which higher level officials delegating these responsibilities might be held accountable.
- ❑ An antipathy to coordination exercised by other sectors (such as ‘lead agencies’ in multi-sectoral programs) and by the People’s Committees of their own level, reinforcing a vertical, ‘silo’ organization observed in most provinces.⁶
- ❑ Ambiguous accountability. Line agencies are subject to “dual accountability” structure by which they are formally accountable to both the People’s Committees and to the next highest level of their own sector. In practice, the sectoral accountability is higher (reinforcing a centralizing tendency).
- ❑ Limited accountability for outcomes, as there are very few performance measures for which these agencies are held accountable for reaching which relate to the specifically to the *integrated* impact of their work.
- ❑ Limited or no training in the participatory methods mandated under the GD decree.

Calls for greater transparency and local participation threaten sectoral agencies with decreased decision making discretion and weaker relative autonomy.

People’s Committee executives. The most crucial implementers of GD are People’s Committee executives at local (district and commune) levels. Their incentives too are generally stacked against serious implementation of GD provisions. District executives are eager to be seen (by both district-level elites – e.g. Party cells – and upper levels) to ‘deliver the goods’ efficiently. Zealous implementation of GD helps them little in this regard, exposing them to potential ill will by local elites (on whom they depend directly for their position⁷) while laying them open to the charge of being inefficient administrators (since implementation of GD may result in greater transparency of local disputes over resources and delayed implementation of some projects). And given its lack of clearly quantified success indicators, they feel little fear of being singled out for

⁶ The exception lies in the few provinces which can supplement central fiscal transfers with own-level revenue, strengthening their local People’s Committee executives’ position relative to line agencies (Fritzen, 2000).

⁷ People’s Committee leaders are elected by the (legislative branch) People’s Council; informally, they must be vetted by the local Party cell.

weak implementation of GD, provided reports are written and mantras duly recited. Leaders also wish to avoid open competition among their constituents for resources they may or may not control with discretion. This suggests a preference for non-transparent as opposed to transparent criteria, as well as for restricted access to information about entitlements. Reinforcing this preference is the likelihood in many cases that local leaders may stand to benefit personally from non-transparent allocation. There is typically considerable gray area for supplementing income – both for the People’s Committee or Party coffers and personally, as well as cementing client networks – by keeping resource allocations and other decision criteria relatively opaque.

Commune People’s Committee leaders are in fact crucial implementers of the decree, since the participatory local planning and information sharing is focused on the commune and village levels. As in many anti-corruption programs, the very implementers who are perceived to be the source of the problem (recall the Party’s ‘bad apple’ theory of corruption at the local level) are the most critical to implementation success – the ‘orthodox paradox’ noted in the introduction. Yet local leaders face weak incentives to implement GD. They have few mechanisms with which to hold line agencies or upper levels accountable for delivering inputs to which they are entitled (e.g. national program allocations), and are thus likely to accept, rather than question, whatever goods come their way. Commune leaders are likely to exercise their influence as gatekeepers between external resources and community members in ways that strengthen their prestige among their commune administrative and economic elites. In this role, they also see themselves as the natural interpreters of community needs and aspirations, thus questioning GD requirements for an ‘excessive’ participatory planning process, for which there are in fact essentially no resources allocated and no guidelines specific enough to apply to particular programs.

Action environment

The constraints examined so far could be considered the ‘supply-side’ of GD implementation – whether government officials and leaders are likely to establish a participatory, transparent planning process as mandated by the decree. Action environment variables shown in figure 1 suggest the *demand* for institutional change generated by the political as well as the grassroots social context is also constraining.

The political context. Decentralization is a prerequisite for meaningful GD; without substantial control over local decisions and resource allocation, local implementers will have very little reason to expose themselves to greater pressures for transparency and accountability. Yet decentralization is not yet on the political agenda of the Vietnamese state in a meaningful way. Four general governance arrangements indirectly reinforce a centralizing tendency.

- ❑ Vietnam is a unitary state in which local governments exist as deconcentrated agents of the central government.

- ❑ Executive power in the Vietnamese system is overbearing relative to the legislative and judicial branches (Bring and others, 1998; Vasavakul, 2002), limiting the scope for holding administrators accountable for delivering public goods in a transparent and participatory manner as prescribed by law.
- ❑ A facilitative framework for the role of the private sector and civil society has yet to be articulated within Vietnam's state-centric political ideology (Webster, 1999; Nguyen, 2002).
- ❑ Poor multi-sectoral (or horizontal) coordination is in part a legacy of the former system of command and control, when each ministry developed powerful interests in managing economic activities (van Arkadie, 1993).

The net effect of all of these governance arrangements is to reinforce a system in which accountability is primarily directed upwards (towards higher levels of government) and is, at the same time, somewhat blurred by overlapping spheres of authority and habits of intervention.

Grassroots social environment. An important element in the implementation theory of GD holds that 'vigilant villagers' will be emboldened to hold People's Committee executives accountable for ensuring rights granted them under the initiative. In fact, villagers in many places will be unwilling or reluctant to do so, for several reasons. Villagers may have inadequate information regarding administrative procedures, particularly constraining in more remote localities where population density and literacy are lower, and distance to administrative centers and ethnic diversity higher. Non-participatory previous experiences, such as labor mobilization as a form of local tax, may increase villager skepticism with regard to state calls for 'participation'. Finally, low levels of non-state-based social organization may constrain the expression of demands for greater administrative accountability. Government-sponsored mass organizations vary in their effectiveness, but are typically weak in remote localities targeted under government programs such as 135 (Pairadeu, 2000).

Making the model dynamic

The model of implementation shown in figure 1 holds out the potential for changes in the institutional environment and incentives underlying implementer behavior. Such changes could stem from policy learning and/or feedback loops from policy implementation to action environment variables.

Policy learning and adjustment are certainly plausible in Vietnamese context; indeed, *doi moi* has witnessed an astonishing range of reforms covering most aspects of public administration. If political attention on GD is sustained and donors are able to support systematic experimentation in pilot localities, there is significant potential to make the policies and programs associated with GD more realistic in their 'policy logic'.

It is true that Vietnamese governance has centralizing elements impeding the potential of GD as an anti-corruption policy. Yet over time GD may bolster the position of local reformers willing to take risks in developing a broader base of public support

beyond the networks of local elites. Some local governments eager to attract FDI already have strong incentives to improve governance quality (towards transparency, if not participation). And as Grindle and Thomas argue (1991:8), decision makers, even in resource-poor developing countries, enjoy significant “room for maneuver and influence” not reducible to the interests of organized groups or “the hold of history or culture on policy choices.”

Grassroots democratization may most effectively serve as an ideal against which poorly performing localities could be held to some account. It has the potential of raising expectations of people in relation to local administration. For those local chapters of mass organizations that are active advocates for their members (in addition to fulfilling their second function of disseminating government policies), GD provides a *potential* legal basis on which to insist on the greater responsiveness of local administrations. These potentially positive effects of GD, like most elements of Vietnam’s socioeconomic reforms, will be realized unevenly throughout the country; but this very unevenness may facilitative comparison and nascent competitive pressures on the local government scene.

7. IMPLICATIONS FOR REFORMERS

The experience of Vietnam’s grassroots democratization policy carries broader implications relevant both for the study of implementation and for those interested in making anti-corruption programs and policies work more effectively. The above analysis above has been built on a framework incorporating elements of both ‘top-down’ and ‘bottom-up’ perspectives on implementation.

From a ‘top-down’ perspective, there are serious reasons to doubt whether GD will have an appreciable impact, despite its important position in the government’s anti-corruption strategy. Its ‘policy logic’ – the theory linking program outputs and root causes of the problem being addressed – is flawed, focusing attention on the commune level, when in fact corruption is undoubtedly endemic throughout the Vietnamese system. Its “implementation logic” – the assumptions it makes regarding the likely disposition of local implementers on whom the whole scheme rests – is also tenuous. District and provincial levels of government are often far removed psychologically as well as geographically from the village gates. Officials at these levels – not as a class known have favorable attitudes towards decentralized, participatory processes – are unlikely to enforce its provisions rigorously against errant officials at the grassroots (provided there is no local outcry), or to use GD as a major criteria for assessing local government performance.

Such conclusions are important for would-be reformers in both donor and government circles, for whom anti-corruption policies have a compelling normative content. Looking beyond the case of GD, more thorough use of standard tools of implementation analysis – such as backward mapping and scenario analysis (Weimer and Vining, 1999) – certainly need to be incorporated into the design of anti-corruption

efforts. At the simplest level, policymakers can review a ‘checklist’ of conditions for hypothetically successful implementation, including the types of questions shown in section three above. Local institutional environments also have a huge impact on implementer disposition, but as such variables are difficult to incorporate into ‘checklists’, they are often ignored. These points are all consistent with a ‘top-down’ emphasis on improving the design of policies and implementation processes.

Although GD is not likely to work ‘as intended’ from a ‘top-down’ perspective because of these flawed assumptions, it may make a meaningful contribution to anti-corruption efforts in time. It may bolster the position of would-be local reformers and encourage greater expectations on the part of the citizenry, in a feedback loop to the local political environment that could grow stronger. And policy learning – the ability to address some design flaws in the decree – is possible, particularly if donors become actively involved in helping the government pilot approaches to anti-corruption. This, more optimistic, reading of grassroots democratization raises two final implications.

First, ‘implementation gaps’ are conceptually a limited way of assessing implementation in developing countries. What Hill and Hupe (2002:179) refer to as the “productive effects and necessity of conflict, negotiation and politics during implementation” should be incorporated into our assumptions about the likely implementation course of a highly ideological policy such as GD rather than dismissed as command-and-control deficiencies. Implementation analysts should ask ‘what is happening and why’ instead of mechanically assessing barriers to successful implementation from a central-level perspective. Such a view of implementation may be a particularly important corrective in Vietnam, where policymakers tend to blame governance and implementation deficiencies on front-line implementers.

Second, the importance of analyzing the ‘requirements for successful implementation’ should not blind us to the fact that conditions in developing countries almost never fulfill such checklist conditions. That is perhaps especially true for anti-corruption programs, suffering as they do from the ‘orthodox paradox’ noted earlier. When, and under what conditions, should reforms be promoted *despite* their incongruence with many powerful interests at central and local levels? Where should reformers begin in attempting to ‘subvert’ the multiple, interlocking props supporting corrupt behaviors in countries where corruption is systemic? Analysts must begin to look towards a broader framework for deciding what types of anti-corruption reforms may be meaningful in highly adverse environments. Such a framework has yet to be articulated, but would incorporate the potentially positive elements of conflicts over implementation, reflecting changing expectations and the creation or strengthening of nascent coalitions supporting change. For grassroots democratization and other anti-corruption efforts, the ‘misery’ of implementation would become a metaphor for the necessarily untidy process of using centrally initiated anti-corruption policies to contest governance practices in unanticipated ways.

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