



**PARTICIPATORY POVERTY
ASSESSMENT**

**Public Administration Reform
Field Report**

November 2003

Abbreviations

CPRGS	Comprehensive Poverty Reduction and Growth Strategy
CPC	Commune People's Committee
DANIDA	Danish Bilateral Aid Agency
DFID	Department for International Development (UK)
DOLISA	Department of Labour, Invalids and Social Affairs
DPC	District People's Committee
DPI	Department of Planning and Investment
FGDs	Focus group discussions
MOLISA	Ministry of Labour, Invalids and Social Affairs
OSS	One Stop Shop
PAR	Public Administration Reform
PPA	Participatory Poverty Assessment
PPC	Provincial People's Committee
RPPA	Regional Participatory Poverty Assessment
WB	The World Bank
SIDA	Swedish Development Cooperation Agency

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I. RED RIVER DELTA

1. PAR Implementation

The aim of public administration reform (PAR) is to generate social benefits by reducing administrative transaction costs and opportunities for 'rent seeking', while at the same time freeing people's time and resources so that they can deal with production issues rather than with 'red tape'. This aim is better observed in Ha Tay than in Hai Duong.

2. The Picture Drawn by the Government

The Regional Participatory Poverty Assessment (RPPA) learned that PAR is being piloted in two districts in Hai Duong, areas that were not selected for this assessment. In Ha Tay this reform measure is yet to be implemented. However the assessment team felt that the general environment is being prepared favorably for the reform.

In focus group discussions (FGDs) in Ha Tay province, government officials at various levels reported drastic changes, implemented according to the administrative reforms triggered by the Prime Minister's Decision 136/2001/QD-TTg in September 2001. Government departments have been restructured, and responsibilities clarified. A number of older staff were encouraged to retire. At the district level, the number of divisions was reduced from 14 to 10.

At the commune level, the number of staff is fixed at a level of 19 persons for a commune with a population under 10,000, or 21 staff for populations over 10,000. There is a staff-training program at this level, where staff are sent to formal and informal educational institutions. The regulation is flexible in that government departments, or People's Committees, are allowed to recruit and hire additional staff in order to address specific personnel needs.

The Nam Sach government, in Hai Duong province, reported that they have decentralized to a level that would enable the commune people's committees (CPCs) to use their own funding to finance young and educated staff for further training, according to their own needs.

All the CPCs visited told the RPPA team that, currently, all official documents are typed, and that hand-written official documents no longer exist. All CPCs reported that, at this level, clear processes were in place to improve the performance and coordination of tasks between divisions.

Box I-1: Administrative processes are streamlined and more efficient

Officer of Dan Phuong Justice Office: Today, administrative processes have been greatly simplified. The amount of time to complete many processes has been reduced from one week to two or three days. For example, to get a notarized certification or confirmation of a copy, it now takes only one day at our office, although the law allows for three days. Birth certificates are issued in half an hour. According to Decree 75, our Justice Office is now authorized to sign for certification, making the process faster. All the fee charges have been made public; everyone can see them at the Citizen Reception Office.

Government officers explained that documented and public procedures and deadlines, which have been modified in response to citizens' requests, promote

professionalism. The Peoples' Committees and their departments at all levels confirmed this change. These changes have also been introduced to other government businesses, such as the Social Policy Banks or AgriBanks.

The most common administrative services are record changes in the household register, issuing birth certificates, issuing residents' (temporary) permits and leave permits, marriage registration, curriculum vitae certification, certification for household assets, and residency for business purpose, such as loans, land ownership certification or issuing permits for housing construction. These services are conducted during office hours, according to a pre-announced timetable.

The current administrative reform measures have raised issues for local government. The first issue is multi-function, brought about by staff cuts. Some titles and positions now have no provision for funding, for example, the position of Head of the Division for Religious Affairs. In My Duc district, the Vice-Chair of the Fatherland Front occupies this position.

Another issue is the lack of clarity around lines of authority and allocation of responsibilities. An example is the case of My Duc, where the staff of the CPCs and the DPCs are confused about who is responsible for what in regard to land issues, or solving conflict on land issues. The CPCs think they have only an arbitrary role, with no decision-making power, while the district government thinks the commune government should take this responsibility. Similar disputes are observed in solving issues of justice, such as who can initiate and investigate justice cases.

The change in status for the commune government is welcomed. The staff see it as an opportunity for improved job security and an increased professionalism that will help improve their performance. They also see it as an opportunity for improving their education and skills. However, according to Participatory Poverty Assessments (PPAs), the challenge now is that the level of qualifications of commune staff are very far from the desired level. Many positions would not be filled if the requirements were exactly followed. Not only is the education level inadequate, public administration knowledge and skills need a lot of improvement.

The villagers, for example in My Duc district, see that the change in the status of the CPC might have two effects. A positive aspect is that government officers will become more professional in their conduct. They may become more responsible if they are paid adequately, and they therefore will not be compelled to engage in side-business. But a second possible effect is increasing bureaucratism, and that requires preventive measures.

3. Citizen's Report

In comparison to 1999, the villagers in Ha Tay observed a number of positive changes. In Ha Tay, all the villagers said that the administrative processes within the CPC are much quicker and more efficient. All villagers have observed that costs and required expenses are publicized, thus making them more transparent. Public administrative tasks, such as certification or other notary services, are performed more quickly, and require much less paper work. The villagers appreciate the time and cost saving benefits. But in Hai Duong the villagers reported that procedures were still complicated and costly.

The poor villagers argue that they are not the ones who benefit from these reforms. Those who need more of these services, more often, are the better off; thus these are the primary beneficiaries. The poor benefit in a lesser degree as they have fewer

needs for these services. In FGDs, the poor do not often report the benefits of PAR. Some complained that officials treat the poor without proper respect or politeness.

In the villages of Hai Duong, while some people appreciate the progress made in administrative services, the majority are not satisfied with the services they receive at the commune level. They say that the process of registration is lengthy. Because the responsible official is often absent, there are long waiting periods. The fees are not advertised publicly, so the villagers do not know the standard charges. They pay as much as the commune officers tell them to pay. During a group discussion, some villagers reported that a fee was collected from them, but others said that they did not have to pay a fee as they are friends of the officials. A migrant complained that she paid 4,000 VND more than other villagers for the same residence registration permit¹.

The evidence suggests that some villagers, especially those who have had experience working with the government or army, have become empowered by the process of PAR. In contrast, the poor villagers and women feel helpless. Both these groups do not have a clear idea of where to go to get legal or administrative advice.

It will take time for the government to improve the reputation of its administrative services and to change the culture in which administrative services operate. For example, whenever villagers are not satisfied with a government service, their first reaction is to use money to 'grease' the process, although this might not be what is required. If the event has occurred in the distant past this can be very challenging for government offices as they do not have appropriate filing and /or archive systems, and are therefore unable to keep accurate records. It will be a challenge for some services, such as the mediation of complaints, to instigate improvements.

Box I-2: Confusion about processing citizens' complains

Mr N, aged 61 years, lives in Thon Doan Village of Lien Ha Commune. He used to receive the monthly assistance at the level of 10%, as he is an invalid from injuries sustained during the war . Two years ago his assistance stopped arriving, for unknown reasons. At that time, he did not care as the amount was insignificant and his economic situation was all right.

As he cannot work because of his poor health, and consequently his economic situation has become precarious, he recently decided to reclaim his benefits. He went to the CPC several times, to the District Office for Invalids and Social Affairs, to Department of Labour, Invalids and Social Affairs (DOLISA), and even to the Ministry of Labour, Invalids and Social Affairs (MOLISA). Mr N. does not know at what place his case will be resolved or when, although everywhere he went he was met and welcomed. He was advised that his case could be resolved at a cost of 6 million VND.

4. One-Stop Shop

The one-stop shop, as a form of administrative service, is yet to be implemented in Ha Tay. In Nam Sach, the visited district of Hai Duong, this reform measure is also not in place. In conversations with civil servants on this topic, they expressed uncertainty about the effectiveness of the system. They believe that the introduction of this service will require additional costs, including investments in office infrastructure and human resources, for example in training.

¹ The specified amount other people pay is 6,000 VND.

5. Law on Company and Private Enterprises

With the introduction of company law, the number of new formal enterprises has risen fast. Ha Tay province recorded a phenomenal number of 600 new registered enterprises within the period 1999 to 2003. In Lien Ha commune, Dan Phuong district, there are four limited companies, two private enterprises, and three co-operatives that are registered and functional. These enterprises create non-farm salary-based jobs.

Local government, especially in Ha Tay, reported that private enterprises are increasing in number, creating more local jobs. The SSI with the entrepreneurs revealed that they are satisfied with the costs of registration and the processing time required. All stated that current processes are simpler, and that the paperwork needed for registration is minimal. None reported 'under-table' costs.

Among visited communes, Lien Ha is one that has very active rural businesses. Almost all village entrepreneurs in this commune confirmed that, nowadays, all administrative processes related to business are faster. A businessman explained: "Before 1999, everything took lots of time. To get a temporary residence permit you were required to pass through three offices. Now, things go very fast. Perhaps if you pay you are better serviced." Non-farm households in Tho An are also satisfied with administrative services. They said that government offices now work according to pre-announced office hours, which is a big improvement. A farmer in Tho An village explained to the RPPA team that it took him only seven days to obtain a loan from the bank, and that the fee of 7,000 VND was publicly announced. Rural business registration has become more convenient to process. An owner of a company in the same commune informed the RPPA team that registration took only three days, much faster than the legally required 15 days. He paid 600,000 VND for the registration fee and 200,000 VND to open his tax account.

Business people in the visited communes expressed concerns about difficulties or challenges in finding markets, the lack of market information and the lack of up-to-date knowledge about government regulations on enterprises. A major constraint to their business development is a serious shortage of skilled labor. Some complained about the unregulated fees and 'unlawful' fees that they incur when they transport their goods to the market.

6. Recommendations

Joining the voices of the villagers and government officers in the visited sites, the RPPA team would like to propose further administrative reforms at all levels. The focus of the implementation process should be on capacity building for government officers, especially at the lower level and specifically in the communes. Legal advice is an area that appears to be the least developed in the visited areas, and one that needs attention. Lastly, the check and inspect mechanism should be in place to ensure the high performance of PAR in all locations.

II. HO CHI MINH CITY

Box II-1: Key findings

Some improvements were noted by local officials and local poor people in the area of administrative services, for example, the 'one stop shops' (OSS) for the certification of personal documents. However, according to the poor, many problems still remain in terms of housing, land and residence registration, all of which affect their livelihoods; for example, complex and time-consuming procedures, corruption and the capacity level of officials.

Concerning decentralization, officials from district and ward levels reported considerable confusion in terms of unclear, or overlapping, roles and responsibilities between levels and between departments. Nevertheless, officials at both levels supported more pro-poor decentralization at commune level, but with accompanying measures to improve efficiency and effectiveness; for example, rationalization of responsibilities, improved information flow and coordination, increased transparency and simplicity of regulations and procedures, more local monitoring, and the revision of local financial and human resource allocations to reflect local realities (particularly to take account of rapid development and population growth in some wards).

The poor themselves had varying, but often very limited, awareness of PAR and its implications, and found it difficult to influence the process.

In the Comprehensive Poverty Reduction and Growth Strategy (CPRGS) of the Vietnam Government, PAR is one of the broad objectives and, at the same time, is considered one of the main measures to ensure a balance between economic growth and social development. PAR will be undertaken in four areas: institutional reform, administrative apparatus reform, renovation and improvement of the quality of civil servants, and public finance reform that will increase accountability, change the working styles of civil servants and administration, provide people with better access to public services, and ensure social equity. The publicity and transparency of the budget process is highly emphasized. In addition, CPRGS also addresses the full implementation of the Decree on Grassroots Democracy, which aims to improve people's participation in decision making for planning and implementation processes within a community's social and economic development².

Based on the major directives of the CPRGS, the objectives of this research in HCMC are: a) to assess the implementation of PAR at commune and district level in HCM City; b) to study the impact of PAR on the poor, and poverty reduction tasks, in order to develop an overview of PAR in HCM City; and c) to obtain recommendations from local people (the poor groups) and local staff on incentives to promote the pro-poor PAR process.

Most focus group discussions with the poor (local poor people, as opposed to poor migrants) confirmed that there have been significant improvements in administration services at commune level. The 'one stop shop' is highly recognized and appreciated. Compared to the past, the time taken by the CPC to certify copies of personal identity documents, family registration and household registration has been shortened. Currently, people need to meet only the cadres in charge and, if requested, meet the Chairperson or Vice-Chairperson of the CPC for his/her

² CPRGS May 2002, p. 4.

signature. They then return to the cadres in charge to get the red stamp. The whole process takes between 15 to 20 minutes. In the past they had to pass through many doors to meet many cadres.

Box II-2: Improvements in administration services at commune level

Female group discussion, poor resident in Tan Tao commune, Binh Chanh district: “A few years ago, the person had to bring the document from this table to other tables to meet many staff. Now you only need to meet one person and wait for about 15 minutes to have the document certified. If the person in charge is busy, they make an appointment for the document collection and they keep the appointment.”

One member of local authorities group, Tan Tao commune, Binh Chanh district: “In the past, it took many steps to get the documents. I was a government cadre but I still felt too uncomfortable. But now it is different, much easier.”

Waiting times have been shortened by up to three to five times, compared to that of the past. Less time spent on waiting, and fewer visits to the People’s Committee, also help the poor save the travel costs and the opportunity costs (loss of their daily income).

There is a positive change in the attitudes of the local cadres, such as making services more affordable and giving more detailed instructions. Some fees paid in the form of stamps are considered suitable to the financial capacity of poor people. According to many FGDs, better attitudes and a higher sense of responsibility shown by civil servants play a very important role in helping the poor overcome feelings of hesitation and fear. They feel more respected, and therefore more self-confident.

Some of the poor accept that their low education levels and poor knowledge means that they often make mistakes or fail to provide the required documents, even though the commune servant has given detailed and clear instructions.

However, according to all FGDs, the cadastral, land and housing sector does not meet the requirements of the PAR because of its insufficient standards. All groups complained about the difficulties and troubles caused by cadastral, land and housing staff. However, there are considerable differences in the opinions and points of view of different groups.

Poor groups complained about complicated procedures, requiring many forms and documents that local people consider to be unnecessary. There has been no progress in achieving the simplicity and openness required to reduce inconvenience and costs, an objective of PAR in the field of issuing land and house ownership documents.

In some places, the poor complained so strongly about the ability, sense of accountability and virtue of the commune cadres in charge of land and housing. There are unfair and negative procedures in the issuing of residential addresses, which according to some people require ‘under the table’ money. Direct criticisms by local people, in commune meetings held to canvass opinions on local officials, did not result in any changes in the staffing of the CPC.

Box II-3: Local people's view on the monitoring and supervision of local officials

Male poor resident in Commune 4, District 8: "The Government pays attention to improving services for people, but the local officials do not fulfill these promises. The government loses its prestige because of this. The government needs to regularly monitor the officials. We know that we have the right to report bad behavior to the local authority, but bad leaders still remain in their positions even when we do report them. Then we are displeased and discouraged to report any more".

According to local people, the performance of PAR must be closely connected with the monitoring and supervision of local officials, especially in 'sensitive' areas that are concerned with people's benefits, such as housing and land. The behavior of officials is the decisive factor for many poor households in their attempts to obtain resident registration and to therefore access basic social services such as children's education, health services, water, electricity supply and official credit resources. The local people recommend that, when local public servants are the object of many complaints but they remain in their positions, the Chairman of the CPC and the DPC must be jointly responsible, since they have not monitored their staff closely, not taken stern measures against their staff, or because they have been the 'umbrella' which has covered up their staff's shortcomings.

Some members of local authorities and of mass organizations, at both commune and district levels, complain about improper decentralized administration in cadastral, housing and land management that creates delays at district level. Staff at the commune level are only responsible for certifying papers on the origin of houses and of land use. Permits or licenses related to ownership, land ownership, house repairs and construction are the responsibility of the district level. According to many members of the FGDs, more decentralization of housing and land management is needed at the commune level; for example, permits for house construction or repair, issuing of residential addresses, and house and land regularization.

In fact, more decentralization to commune level in many other fields – local infrastructure upgrading, health – was recommended by many FGDs as an important measure to promote the current PAR in HCM City. According to previous regulations, infrastructure construction, such as inter-commune or inter-village roads with a total budget of less than 500 million VND, are allocated to commune level. Many people suggested that this rate could be increased to 1 billion VND. Decentralization to commune level has many advantages; for example, reduction of intermediate costs which add to construction costs, thereby reducing the rates of contributions from local people, and also creating opportunities for unemployed poor people to work regularly or seasonally to either earn a living or to contribute through their labor instead of by cash. In some areas, construction of local infrastructure that has been managed at commune level has saved between 30 to 50 percent of the total budget allocation. Many local leaders mentioned the direct impact of decentralization on poverty reduction and on savings in the Government budget.

Other works related to the 'one-stop shop' policy demonstrate a big gap between ideas, objectives and realities. An example is the implementation of items in the Law on Enterprises, in particular the issuing of business permits. According to new simpler regulations, the Department of Planning and Investment (DPI) directly issues business permits, using the 'one-stop shop' model, instead of applicants having to pass through two or three levels as in the past. This new regulation is expected to simplify and shorten the procedure. However, the local level does not participate in

the process in its initial stages. This creates many inefficient and illogical steps in the process, such as assessing the place of manufacture and the type of business, and evaluating the influence of business to the neighborhood's environment and residential areas. The monitoring and evaluation process, allocated to commune level, has also been implemented very passively and ineffectively.

The cause of the problem is slow communication, and out-of-date information exchange, from city to district level, then to commune level. It is not unusual for information on a business permit to reach the local level at a time when the company has already closed or has never operated in the commune in reality. During follow up monitoring, local authorities found that in some areas actual operating businesses made up only about a half to one third of the number of business permits issued. Local cadres believe that many 'fake companies' make use of business permits for illegal purposes, such as the purchase and sale of fake receipts and bills, tax dodges, or even defrauding.

Based on the recommendations of many district and commune civil servants, there are two solutions for business permit reform: a) a return to the old procedure where the application will be submitted at commune level, and the CPC will be responsible for assessing the office, factory or operational budget location; then the file and proposal will be transferred to the District Bureau of Economics so that the district or city level can issue the permit; the time needed may be only two weeks from application to the issuing of the permit; or b) the city level must inform the district and commune level while examining the file, or immediately after the permit is issued, so that these two levels can implement follow up monitoring in time to prevent disorder in service, commerce and production performance, as well as violations to the Law of Enterprises and the Civil Law in general.

When evaluating obstacles that appear during the implementation of decentralization, some district staff identified staff limitations and lack of clarity about the allocation of responsibilities due to:

- (i) unclear and inaccurate administration terms;
- (ii) unclear assignment of responsibility, that does not distinguish the department that is in charge;
- (iii) ill-defined measures to discipline cases of regulation violation;
- (iv) insufficient salary or incentive schemes that discourage staff and cadres to match the value of their paid work comparative to their effort, since the main part of their income is not paid by the government (this is particularly the case for officials who don't have other sources of income and who work in areas related to direct benefits such as housing and land, household registration, tax, and justice, for example); and
- (v) insufficient, dissatisfying and unclear salary fund allocations in urbanized areas, for example in Binh Chanh district. When the salary fund was allocated to the district from the provincial level, the increase in population, which creates an increased service load, was not considered. Therefore, "there are more administration tasks but the salary is limited: more works and more costs." "Faster urbanization equals more work pressure, but the salary is the same, so the income of the staff does not reflect the increased workload. The reformers speak highly of the administration reform but we see there is no change for us but only harder work" (one member of FGD of local authority)

cadres in Binh Chanh district). That is why many people agree “administration reform in a location with a stable population must be different to that in a location with an unstable population”. To be more specific, “administration reform measures that respect the characteristics of each region or area within HCM City are very necessary, not only for a big city like HCMC, but also for the whole country” (Binh Chanh local authority cadres FGD).

There has been little networking or official communication at commune level that would enable local people to become equipped with necessary knowledge on government legislation and regulations. There are few forums by which information can be provided to people at a community level, such as notice boards at public places, loud speakers systems and leaflets. Only a small number of poor people have been able to access information on regulations and legal knowledge by reading the newspaper or watching television. Many members of migrant FGD said that they obtain information mostly by word of mouth, rumors in the markets, and from the streets, friends and co-workers, instead of from official local government information channels. That is why they often recognize that the information they have is not correct. Meanwhile, in the cell (*‘to dan pho’* – the smallest unit of households) meeting, legal knowledge is officially communicated to people at community level. But this depends on whether or not the cell leader can organize a regular monthly meeting. In reality, there are significantly different results from the meetings of various groups due to the ability, enthusiasm, and accessibility of the cell leader. Most unregistered residents are not invited to cell meetings.

Similar to the PPA in 1999, and the grassroots level consultation on CPRGS at the end of 2001, local people have pointed out many limitations in the provision of instructions and information on methods, conditions and procedures to apply for and approve long term resident certification KT3. One obstacle is the fact that it is the responsibility of the police to monitor family and household registration. Many people hesitate to contact the police for information or applications. Moreover, even when people are eligible to change their household registration from KT4 to KT3, whether they receive the long-term resident registration book is strongly based on the ‘power’ of the police in charge of that particular area, and the relationship of the household head with the police, including the payment of ‘unofficial diplomatic fees’.

According to many migrants, regulations for the extension of short-term resident registration, which is due every six months and requires a letter for temporary absence with a picture certified at the place of origin, is too complicated and time consuming. Many people have to leave their work for two or three days to go home for the letter of certification in order to extend their registration. It interrupts their work and reduces their income. It consumes a lot of time, is costly because of the travel involved, and has a detrimental effect on family life. Some who have come from remote provinces don’t have enough money to travel to their place of origin, so they accept that they must pay the fine for breaking the temporary resident registration law. In other words, many people think that there are unclear and inequitable procedures for approving long-term resident registration KT3. The influence of local government, the CPC, is very limited since this task is managed by the police.

A new method for resident and household management, that uses computer and internet-based technology to exchange data and information between provinces, would increase in-depth transparency and equality in the performance of government procedures. This method needs to be considered in relation to administration reform in the area of public and social security.

Local cadres do not believe or recognise that the change in their status from local official to government employee has improved the quality of the services they provide. They do not see any change in their relationships with the people they serve, or the services provided. The most significant change to them is that they have settled to their work due to a more reliable salary, one that issues from the government budget instead of from local revenue. This ensures public security and social welfare when they resign or retire.

Solutions to some incompatible areas of administration reform, that will help promote PAR in Ho Chi Minh City, were identified in group discussions and can be summarized as follows.

- It is necessary to consider the difference between areas with stable populations and areas with unstable populations (due to increased urbanization and immigration) when making decisions on management decentralization, such as administrative boundary divisions, number of staff and salary allocations.
- Further decentralization at commune level in the implementation of infrastructure, such as construction, health, housing and land services, justice, and business and manufacturing permits, should take place.
- Communication channels that disseminate legal knowledge, legislative documents, and information on regulations (particularly on social security, family and household records, transportation, business, civil relationships, marriage, and family issues) should be strengthened.
- There is a need to simplify, as well as increase the transparency, publicity and equitable distribution of procedures, standards, regulations and processes that are related to social issues, particularly for poor people, such as household or resident registration of immigrants, residential address issues, and house and land regulations.
- Transparency, and the rational allocation of responsibilities to each level, each department and each individual must be increased. Salary system reforms and the strict discipline of regulation violations, using clear and accurate terms in legislative documents should be implemented.
- Collaboration between government departments at city, district and commune level must be strengthened, using up-to-date communication channels and clearer allocation of responsibilities to staff, including an emphasis on responsibility by higher levels to the lower levels, including the local people.
- Monitoring and supervising of work outcomes at the lower level must increase, and direct meetings with local people, especially poor people individually or in focus groups as per the PPA method, should be organized. To be more subjective, participants in meetings and monitoring processes need to be selected randomly, instead of being appointed by local authorities to prevent preparation in advance that may hide mistakes.

III. MEKONG – DONG THAP PROVINCE AND BEN TRE PROVINCE

1. One-stop Shop Services

At the two research sites, administration reform has been implemented in the form of the 'one-stop shop' model. The main improvement is a reduction in complicated procedures for people when they visit district and commune offices.

Assessment by government officials

- At the district level, there are offices (phong tiep dan) that receive documents from people, and issue receipts or appointment tickets. Staff at these offices then transfer documents to the responsible organisations or agencies for processing and for replying to people on those days specified in appointment tickets.
- Similarly, at the commune level, the head of the CPC office is responsible for receiving and reviewing documents, then transferring them to the responsible unit for processing and obtaining the official signature. Most administrative processes are settled within a day. Appointment tickets are only issued for complicated cases. Every week the Chairmans of the CPC and the DPC reserve one day for receiving people and talking directly to them about any queries they might have.
- Administration reform has been widely publicised. To ensure that people are aware of the reforms, districts have made announcements through the local radio system. They also use notice boards at the 'people's reception office' in the People's Committee buildings. Detailed procedures for certain administrative services are posted, and staff are also assigned to instruct and guide people in need.
- Administration reform has had positive results. It has made administrative procedures simpler and saves time for people, who often had to spend lots of time 'knocking on doors' of government organizations and agencies. Within local authorities, officers don't have to give long explanations to people. Their tasks are clearly allocated, and they have become more responsible.

Assessment by local people

Most people do not have sufficient information about PAR by authorities. Many people only go to the CPC when they need papers; for example, birth certificates, marriage certificates and certificates for temporary stays and temporary leave. Other papers related to land ownership, civil disputes and loan applications still need to be processed at the district level. Papers related to household registration books and the issuing of ID cards for over-aged people are processed at provincial level.

People agree that public administrative services are better than before, except for banking services, which still involve many complicated procedures, and some formalities related to household registration books and land certificates, which require people to travel too far to complete. Because people often need less complicated papers, they do not have to spend much time, and normally they can get their papers completed within a day. The most complicated procedures, taking up a lot of time in

both researched sites, are those concerning household registration books, land certificates and loan applications.

The associated costs required (including buying forms) are not a burden, around 5,000 VND. In Thoi Thanh and My Hung communes, people who require a temporary leave pass for travelling far away on business must pay a contribution for 'public works' of 50,000 VND for men and 30,000 VND for women. However, traveling costs are more expensive if papers need to be processed at the district and provincial levels, especially in Dong Thap Muoi.

2. Further Delegation to Communes

In general, people expect that all administrative services should be able to be accomplished at the commune level, so that they can save travel time and costs. According to interviewees, the following are recommended to be handed over to communes:

- notary services of papers, such as household registration books, ID cards and bank loan applications; and
- drawing plans of commune roads and rural power grid systems.

Officers in Ben Tre and Dong Thap also propose that constructions that have a value of less than 20 million VND should be managed directly by communes. In addition, the communes should have opportunities to take part in monitoring, thus speeding up the process of implementation. However, the role of communes in rural infrastructure development should be enhanced, since "at present, the CPC only manages on paper and through signature but does not know much about these papers".

Commune officers are afraid that current human resources, facilities and capacities at the commune level are not sufficient to take over those tasks that the district level is currently responsible for, especially for those works related to land policies. Commune officers said that "the district has specialised units which belong to vertical government structures, so that they can accomplish their technical tasks".

3. Enterprise Law

Commune officers and some district officers do not know about the Enterprise Law. This might be due to under-development of enterprises in their areas.

Business registration has increased compared to the period before 1999 (when the Enterprise Law was launched). Although the objective of the Enterprise Law is to support and facilitate people to run their businesses, some people are hesitant to register their businesses as enterprises. They think they will have to set up a standardized book-keeping system, and pay higher taxes. Many therefore retain their registration as individual business households.

In Dong Thap province there are no enterprises in the research communes. In Ben Tre, there are very few enterprises in the research communes. They are often brick factories, sugar refineries or coconut fiber yarn makers. Since 1999, Mo Cay district has had few additional businesses in the area of animal feed production, cashew processing and trading, for example. The main reasons why there have been few new enterprises are the unfavourable geographical location of the district, difficult transportation conditions, and unavailability of clean water.

Two years ago, one enterprise in HCMC planned to invest in a plant in Phu Hiep commune, Tam Nong district (Dong Thap), to produce fish sauce, exploiting the available local fish sources during flooding seasons. However, this plan failed to materialize because the costs of heightening the base of the plant were too high, and transportation of the products was too difficult.

Local authorities have no concrete solutions to attract interest from outside investors. At present, the average cost of land leveling for construction in the two research communes is still very high – about 1 billion VND per hectare – and road networks are still underdeveloped.

4. Civil Servant Law and Decentralization

District and commune officers have positive comments about the new law on civil servants. Although the change has not yet taken place, they believe that:

- the conversion of commune staff to civil servants' status will help improve working routines in communes because commune officers will become more responsible, manage their time better and work more efficiently;
- local people will meet commune officers more easily when they come to commune offices; and
- commune officers will feel more assured and secure because they will receive salaries instead of allowances and they will be entitled to retirement pensions.

However, local officers also raised concerns, such as the number of officials positions that will be available in a commune, and what will happen to those who have no education certificates or degrees, or those who have to retire.

Local people in the two research sites hardly had any ideas about the change of commune staff's status. In their opinion, commune officers are 'commune officials'. Local people do not even know the current functions of commune staff. They therefore cannot imagine differences in the future. However, they do foresee that commune officers will work better if they receive salaries and more support from the government.

IV. NINH THUAN

Through interviews with District and Provincial Officials and through secondary data collection, the research team learned that PAR was carried out almost immediately after the policies and guidelines were passed by the Central Government. There are two main areas of PAR in Ninh Thuan province: 'One-Door' Model (or one-stop shop) and Institutional and Administrative Body Reorganization.

1. 'One-Door' Models

According to the Provincial Committee's 2002 Annual Report, Ninh Thuan boasted six institutions, two districts and three communes that practiced 'one-door' procedures. The areas covered included real estate, construction, public notary, information, culture and sport, business registration, investment, electricity and natural resources. Results of implementing the 'one-door' model, according to the

report, were positive and effective. Waiting times and bureaucratic hassles, for both individuals and enterprises, were reduced.

Further interviews with officials in the planning department revealed that when the 'one-door' model was introduced, the number of registered companies increased immediately, as did the number of investment projects and their inherent values. The increase was mainly in the private sector, resulting in an increase in the number of jobs created. Furthermore, once the state institutions were reorganized, attitudes to service and public administration management skills were perceived to have improved as well.

The reorganization of provincial institutions and administrative bodies included a review of functions and duties for a number of institutions. The resulting changes meant the reorganization of some institutions: smaller in size with an increased flexibility to respond to Central Government changes.

The 'one-door' model was applied in three communes in Ninh Phuoc district, none of which were part of the study. It is important to note, however, that the model was found to be favorable by most local people in the research area. Those communes that did not currently use the model were looking forward to its implementation.

Public servants were found to be happy with the improvement of their level of knowledge through re-training programs stemming from administrative procedure reform. However, concerns were voiced about the increased workload, assuming that the number of officials remains unchanged. Public servants who are a part of the 'one-door' reform still have to contend with their regular duties. Others argue that administrative reform led by the Central Government should be uniform across each ministry or sector. Guidelines and procedures in each ministry or sector should be streamlined in order to support the 'one-door' model. Many public servants felt that, without such uniformity, reforms may result in 'one-door that is shared by several houses', creating potential obstacles for further administrative reform.

2. Amendment of Ordinance on Civil Servants, 2003

District and commune officials agreed across the board that the Amendment of Ordinance on Civil Servants, 2003 fulfilled a longstanding desire of commune officials. By recognizing their positions, public servants felt more appreciated by the government and society in general. More importantly it gave them more confidence and pride when serving the people.

District officials say that, on the one hand, the amendment has clarified the standards for public servants in cases of promotion and recruitment. On the other hand, it shows the need to improve servants who have a limited capacity to serve. The amendment requires staff re-training as well as large-scale training initiatives.

Difficulties may potentially arise in communes with rotating public servants, particularly those that lacked the votes to hold certain elected positions. Some village heads noted that, since the reforms, their workload is much heavier than any of the other division heads at the commune level. The gap between a village head's salary and benefits, as compared to the commune level division head, is very large. This gap will increase after the amendments become enforced. There should be an increase in salary and benefits for village heads to address this discrepancy.

Through group discussions on the changeover of 'communal cadres' to 'public servants', it was learned that many viewed the move as a positive step. It was felt

that such changes had the potential to instill confidence and pride in government officials. Access to self-training and re-training would enable public servants to serve better. It was also suggested that, with these reforms, well trained and higher educated young people could be attracted to serve in the commune government. Fears arose, however, over the potential for public servants, once they are installed in a stable position, to end their training or re-training initiatives. Furthermore, once installed, the ability to remove poor-performing and poorly-motivated public servants from their positions would prove difficult.

3. Improving Effectiveness through Decentralization

Many argued that commune authorities should be given more power. In the face of increasing decentralization, improving the accountability of commune authorities is an integral part of any poverty reduction effort. Such decentralization should include the power to initiate and manage small-scale infrastructure investment projects within the commune and its villages. The commune authority should also be given the power to decide on small capital investment projects in their communes, as per the 135 Program. The role of these authorities should also be further advanced in their responsibility for the provision of services in the areas of health care, education and, particularly, in agriculture extension.

Officials in the planning and financial sectors revealed during in-depth interviews that such decentralization would generate more income for the overall budget. Sources could potentially derive from the increased responsibility of officials during tax collection. In addition, it was suggested that decentralization would encourage local authorities to develop better policies designed to attract investment from the private sector. Through increased business activities, and through private sector investment, jobs would be created which would in turn increase the tax base.

Coinciding with decentralization is the need to improve the responsiveness and accountability of local authorities. A popular thought stemming from many local people and officials at the commune level, was the need to use grassroots democracy as a tool to improve local authority accountability. The more power a commune authority has, the higher potential for responsiveness and accountability. This would be encouraged by fostering increased opportunities to meet and exchange views at the local level, as well as through the overall improvement of information dissemination activities in both directions. Most imperative is the furthering of communication efforts and targeted policy initiatives designed for the poor.

Household interviews revealed support for the local authorities' role in providing individual households with information and, in return, increasing the associations' understanding of people's needs. It was noted that the participation of mass organizations created improved responsiveness of the authority in terms of the needs and queries of the people.

Concerns with decentralization arose in terms of a potential for 'abuse of power'. A number of cases were cited in which officials were able to abuse their power because of a lack of safeguards, particularly those of assessment. Officials from mass organizations, such as the Women's Union and Fatherland Front, strongly supported the role of assessment for mass organizations in the implementation of projects, in particular, and the authorities' overall activities, in general. It was suggested that some form of independent evaluation and monitoring be set up with the assistance and participation of local people. This feedback, in turn, should be integrated into the next round of planning and budgeting.

V. NORTHERN MOUNTAINS – HA GIANG

1. Recent Improvements in Public Administration

Until now, PAR has had a very limited impact on the districts and communes where the two PPAs took place, especially the highland districts, communes and villages. The following are our primary conclusions.

- PAR has not yet affected the upland districts, and has had limited impacts elsewhere.
- There are some initial achievements in the two PPA provinces, and some of the districts and communes, although perhaps not all are strictly part of the national PAR process (see section 6.2 for plans and suggestions for further improvement).
- Ha Giang province officials explained the province's progress with administrative reform in a written report. Administrative documents (forms) were assessed and modified, recruitment and management of civil servants was assessed and improved, the number of People's Committee offices and departments was reduced, and so on. The province also piloted some reform measures in Vi Xuyen district, where some of the PPA research took place. The number of offices and staff were reduced there too, and officials, students (to be placed in communes), commune cadres and village heads took part in training.
- In Lao Cai, Bao Thang district, the PAR process has already led to changes in defining 'standardized' job descriptions, required qualifications of different civil servants, and budgeting and expenditure responsibilities. The district receives a lump sum for administrative costs and can make its own decisions about its exact use. The leaders of the district see the initial PAR process as positive, because it makes staff more responsible, and more active in improving their qualifications, and because of savings on administrative costs. However, discussions with some district staff show that PAR may also cause reductions in, for example, incentives for staff to travel to villages, which could result in fewer contacts. But 'the jury is still out' on such effects.
- The registration of new enterprises is, for example, supported with a '24 hour green light' policy in Ha Giang, and lowland districts such as Bao Thang have started to integrate agricultural services at district level.
- The status and remuneration of commune officials is being upgraded. About 15 to 20 people in each commune are becoming 'local civil servants'. This is seen locally as helpful in motivating the leaders of the People's Committees and Councils, administrative and 'professional' staff and some staff/ leaders of the Party, mass organizations and police. There were comments in Lao Cai, however, that the difference of remuneration between the head and the deputy of these organizations is now too big (five to eight, or even 10 times), making it difficult to motivate the deputy to be active. The CPCs in Lao Cai will all have four 'professional' staff in the areas of land, finance/accounting, administration and legal affairs. In Ha Giang there will also be a commune extension worker.
- The poorest communes often get one or more seconded staff from the district and/or the province, for example as '135 facilitators' (often relatively young and

male). In addition, some seconded staff have been temporarily given the role of vice-chairman of CPCs, and the Party also places staff or members temporarily in this role in some instances. These supplemented or seconded staff, and the '135 facilitators', are doing well in some of the surveyed communes in Lao Cai, because they are well-educated and they are linked to district departments for disseminating information and producing upward reports. However, most of them need more comprehensive training to become genuine poverty reduction facilitators and in order to aid other work, instead of just managing and monitoring construction projects under Program 135. In Lao Cai, DOLISA is proposing that the PPC allocate one professional poverty reduction staff member at every '135 commune'; it seems that the current '135 facilitators' could play this role with more appropriate training.

- In the highland communes, local officials' capacity is so low that, in some cases, external people effectively manage the commune. For example, a commune in Dong Van district in Ha Giang had to ask the Finance Office of the district to help them with the preparation of commune plans and budget. However, not all seconded officials have a good capacity, and in one reported case in Ha Giang such an official became a burden on the commune. There are also reports that seconded people who stay for a limited time do not 'hand over' sufficient details to their successors, and problems occur after their departure.
- Local people and officials insist that relying on outsiders is undesirable in the medium and long term, but at present it is unavoidable. In fact, both provinces are developing a program for attracting and placing newly graduated students in CPCs, for gaining practical experience and supporting the weakest communes. This is necessary, especially because the number of capable officials from certain ethnic groups is still very limited – yet they would be best placed to communicate with the local people.

2. Plans and Suggestions for Improvements in Public Administration

Based on dialogues with commune and higher-level officials, village heads and villagers, we draw the following conclusions.

- The existing need for improved public administration is strongly related to the capacities of staff and to resources at all levels, including the village level.
- Training and capacity building of local leaders and professional PC staff is a high priority in both provinces, and rightly so.
- Good public administration also depends a great deal on transport and communication infrastructure, which is generally improving and expected to improve further. Commune officials and also some local people are aware of the general plans, for example for connecting communes to the electric grid in the coming few years.
- Upland village leaders are in fact a 'one-stop shop', but because of their limited capacities, they are not very effective. Village heads are responsible for the dissemination of information from the commune to the people (guidelines, resolutions and policies), and for communicating villagers' feedback to the higher levels. They are also central in solving problems between households, and collecting various contributions from the villagers. In lowland communes,

people often have other ways of accessing information, and they visit the commune centers more often. But even in the researched lowland communes most of the village heads were only educated up to Grades 4 or 5.

- The capacity and remuneration of village leaders need to be increased. Deputy village leaders with small remunerations could greatly improve two-way communication and consultation with local women and men. The role of the deputy already exists in many places, but it is not formal and not remunerated. Lao Cai is already interested in considering the formal position of deputy village leader, meaning that there would be a second remunerated person in each village. It could be a younger person with more education, operating as some kind of administrative support to the village leader (people talk of the role of 'translating' all kinds of things).
- There is indeed weak decentralization of fund management. Even under Program 135 the districts remains the formal investor in the researched communities. Lao Cai province has the idea of developing the 135 facilitators into a general community facilitator who can, for example, use PRA techniques to assist with various planning and monitoring processes.
- With improved capacities the focus of planning, implementation and monitoring of various programs and (small) projects, could move further to the village level, as the Vietnam-Sweden Mountains Rural Development Program (MRDP) has attempted with village development funds in the Northern Mountains.
- The training and capacity building of local leaders and professional PC staff will be a high priority in the near future. However, the CEWs in Lao Cai could be usefully upgraded in skills, remuneration and status, as is the case in Ha Giang. This person should be central to all kinds of agricultural services from higher levels, and build relationships with district and provincial services and departments of extension, plant protection, veterinary care and forestry, and perhaps more. These services are currently very segmented at the higher levels, which is a problem that needs to be addressed urgently.
- There is scope for streamlining the 'poverty reduction board', which has been set up under a MOLISA policy in each commune; the structures that were created for the implementation and monitoring of Program 135 (including the Supervision Board; and various project management teams that may have been set up at commune level for different reasons. The poverty reduction board is mainly for the classification of households as 'poor' or 'not-poor' according to Government criteria and does not seem to take on other roles, in practice. Project management teams are often related to internationally funded projects. Project management teams, '135 facilitators' and the Supervision Board, and the poverty reduction boards seem to overlap, especially in the communes with the least number of people with a minimum degree of education, and administrative and leadership capacity. The same people wear several different hats.
- These structures may be merged in some cases, and in other cases roles could be clarified – this could well be different from commune to commune. These boards or teams should always be well connected to specific district departments, in order to be able to access support. They should include 'professional staff' from the CPC. Some of those who are seconded from the district or province may take advisory roles. Whatever the external human

resources that are placed in communes, and the committees that get created or merged (or both), all this should support and not undermine the strengthening of CPCs and Commune People's Councils.

- One concern now is how to monitor and evaluate the impacts of PAR in terms of people's benefits, such as reduced waiting, reduced travel times and costs, better information, and participation in decision making, for example. The 2001-2005 PAR plan of Lao Cai contains very little on monitoring, and proposes to monitor mainly through the formal (bi-annual) reporting system. The plan focuses on the province and district levels, with little mention of the commune and villages levels. However, improvements are particularly needed in the highland areas, which would suggest that monitoring must include the commune, and especially village levels. In addition, good monitoring needs to involve, or at least inform the representative structures, i.e. key members of People's Councils and mass organizations at different levels.

VI. LAO CAI

1. Administrative Reform and Poverty Reduction

Lao Cai People's Committee has approved the province's administrative reform plan for 2001-2005, which focuses on addressing outstanding problems, accelerating decentralization, and strengthening management capacity at the district, communal and grassroots levels.

2. 'One-Door Service' at Village Level

The survey shows that, for administrative reform to link more closely to poverty reduction, more attention should be paid to the lowest level, that of the village, especially in upland areas. At present, the village is not considered a level of State administration, yet it is the level that interfaces directly with local people in all activities. Most district and communal officials agreed that, "the village level is like the bottle neck". The village head is extending the 'one-door service' to upland people, and the heads are the people that represent and assist villagers with almost all external procedures. Interviews with upland people again reconfirmed that they seldom went to the communal office. The people rely on the village head for exchanging information with the government. Carrying out such a heavy task, the village head has not been trained and remunerated properly. During the field visit to six villages, we met three village heads who were very motivated in their job. Yet all of them confided to us that they did not want to continue, as "they are too tired and could not be involved in family affairs".

For upland people: when asked about matters that should be brought to the CPCs or DPCs for solution (issuing of birth certificates, death certificates, land use right certificates, land transfers, wood-selling permits, certification of dossier for school enrollments, for example), most upland household owners kept silent (they just smiled). In reality, they seldom had to visit the CPC, let alone the DPC.

Due to its isolated position, autarkic economy, and the population's limited proficiency in the Vietnamese language, bad habits and inappropriate rules, upland people know little about State laws or the rights and obligations of citizens. They rely on the village head for all matters related to the government. For them, the village head is the one person that provides them with administrative information and makes many important decisions regarding public service.

For lowland people: Thanks to higher educational standards, better market access and social exposure, the demand for public service is much greater in the lowlands than in upland areas. Most people go to the CPC and DPC to handle administrative matters. The implementation of PAR will create favorable conditions, and have a beneficial impact in lowland areas. In the commune of Phong Nien for example, where many Vietnamese reside, the CPC has assigned three people to work at the reception office (including a vice chairman, a legal official and an administrative official) who will receive and address petitions, and consult on legal issues. Most cases are related to land conflict and to divorce.

Recommendations

- Administrative reform should start from the position of the village head.

Current public administration plans are short on actions that can be processed at the village level. The provincial government has the jurisdiction to make decisions on village-related policies related to the cause of poverty reduction in upland areas.

Procedures and documentation should be formulated and systemized for upland areas, taking into account the 'one-door service' offered by the village head (who creates a bridge between local people and the commune, and its related agencies).

Commune and village officials and heads should be trained in current procedures and documentation, in order to ensure better delivery of public service.

A document on administrative procedures should be produced for distribution to village heads (using large typeface, simple text and many straightforward pictures), and it should include information on people's rights and obligations, especially for the poor. The village head should then disseminate this information to local people in village meetings.

The title of deputy head of village should be added to the administrative structure of each village, especially in upland areas where there are many different ethnic groups in a village.

Consideration should be given to raising the village head's allowance (and the deputy head). The current allowance of 90,000 VND per month for the village head is too low; a primary teacher in the upland area gets a monthly salary of 1.2 to 1.7 million VND.

Pilot the administrative reform plan in upland areas, focusing on the village level to better address poverty reduction.

- Stronger decentralization should be implemented at communal level. Decentralization accompanied with capacity building is the core part of the administrative reform plan in Lao Cai. This plan, however, just deals with decentralization at the commune level, leaving out decentralization at the village level. In reality, decentralization at the commune level is being implemented, yet the results are modest (under Program No 135, only 30 percent of communes have been assigned to be investment owners). This is an area that should be accelerated in the future in order to address poverty reduction.

- Focus on the activities of the Communal Steering Committee For Poverty Reduction.

Members of the Communal Steering Committee for Poverty Reduction include key government officials and representatives of mass organizations in the commune. Although the committee's members have been trained in all activities related to poverty reduction, the committee is less effective, and only busy when the annual poverty household survey is conducted. The reasons are as follows.

- (i) The committee is not provided with any budget or decision-making power.
- (ii) In reality, the committee does not 'steer' any poverty reduction activities, as each activity such as infrastructure investment, credit, education or health, for example, has its own line of direction.
- (iii) The committee plans to assign officials and Party cadres to directly assist poor households. In reality, however, a Party cadre is unable to assist more than ten poor households. Interviews revealed that poor households do not want to be directed by others (possibly group activities would be more helpful to the poor).
- (iv) Specialists such as extension or cadastral officials, who could assist poor households with business or land matters, are not members of the committee.

The survey also shows that organizational improvement (adding specialists) and functional improvement (linked to decentralization and budget) of the communal Steering Committee on Poverty Reduction is a pressing issue in order to address 'formalism' in the direction of poverty reduction at local levels.

All four surveyed communes under this PPA fall under the scope of the 'upland poverty reduction' project, financed by the WB (with accompanying technical assistance financed by DFID). This project has adopted the 'communal development commission' model in order to raise the sense of initiative in planning and implementing participatory poverty reduction projects in poor communes. As of July 2003, a decision on the establishment of this commission had just been issued, and no specific activities have been undertaken.

- More officials for communes under Program No 135 should be provided.

In the past, Lao Cai has sent some 200 officials to communes under Program No 135. These officials are called 'officials No135', and they assist communal leaders in the implementation of poverty reduction programs in the area. In theory, they return to the agencies where they were previously employed, after completing a term of two to three years with a satisfactory performance. They are paid the current remuneration, plus an allowance of 300,000 to 500,000 VND per month. In addition, some officials are 'transferred' to local levels to hold leadership positions (head of Party's cell, chairman or vice chairman of CPC).

At present, the common impression in surveyed communes is that these officials are performing satisfactorily. Where communes have not had officials who are specialized in poverty reduction, such officials No135 should be trained more carefully and comprehensively in poverty reduction techniques in order to take the role of '*officials specializing in poverty reduction*'. Such officials should also be

nominated as a standing member of the communal Steering Committee for Poverty Reduction (he/she may hold the position of Deputy Chairman of the committee). In reality, this official would play a better role should he/she take a position in the communal Party's cell. If possible, however, there should be plans to replace these officials with local ones at a later stage.

- The perception of district and communal officials about administrative reform.

Surveys of civil servants at district level all found that the administrative reform program is a good opportunity to improve the quality of officials and the efficiency of State agencies. Young officials with high education levels become more encouraged when they are trusted and put in leadership positions in the agency. In Bao Thang district, a place where administrative reform is being piloted in Lao Cai, the chairman of the DPC said that he sensed improvements after the six-month implementation process.

Interview with Mr Mai Quoc To, Chairman of People's Committee of district of Bao Thang

As the piloted district in Lao Cai, how has the administrative reform in the district been carried out and what are the initial results?

At the district level

- Administrative reform is mostly welcome by officials and well carried out with respect to the following important activities:
 - (i) Reducing the number of contact points at district level, from 16 divisions to 10 contact points;
 - (ii) Reducing the number of district civil servants from 120 to 88, of which 70 are professional officials and 18 are supporting staff;
 - (iii) Head of division must obtain an undergraduate degree; otherwise, he would be demoted to expert or allowed to retire early;
 - (iv) Adopting a fixed budget for operating expenses in early January 2003, with a limit of 19 million VND per official per year for the district office of People's Committee, People's Council, and 16.5 -17 million VND per official per year for sectoral agencies.

- *What are the initial results?*

Accountability increased significantly, officials were more enthusiastic, and direction was easier thanks to less contact points. Functional divisions were clearer and thus there was better cooperation among divisions. Thanks to a fixed budget for operational expenses, money was spent more appropriately. Surplus budgets shall be distributed to civil servants on a quarterly basis, conditional on their own performance. The average income of officials therefore rose by more than 200,000 VND per month.

- *What is the reaction of officials who have been replaced?*

To start the administrative reform, district leaders focused on the sensitive issue of organisational restructures that involved shifting personnel. However, the restructures have had a good result. Most division chiefs and deputy division chiefs that were replaced, because of their inability to perform the work satisfactorily, were happy to undertake new duties or to retire. The district

offered preferential treatment for division chiefs and deputy division chiefs who, though not having reached retirement age, did not meet the requirements to stay on. They were entitled to early retirement and, if they met the prescribed period of service, an allowance of 16 to 20 million VND. These officials all agreed to early retirement and there have not been any cases of complaint or petitions against the decisions.

- *How has the officials' competency improved after the restructuring?*

In terms of education attainment, all relevant officials have met the requirements. In terms of competency, they have only reached 70% of what is required. The improvement of official competency, and the replacement of officials, should be continued.

Because of PAR, the movement to improve the competency of officials through education has been very vibrant. The district is sending many officials to long-term training programs in order to rapidly improve the competency of the administrative system.

At communal level

- Communes have just started dealing with personnel issues but they face difficulties because they are short of qualified local people.
- People holding the four positions of finance, cadastral, judicial officers and head of administrative division must have graduated from an intermediate-level specialized college. The district has 42 qualified officials, out of a total number of 60, who are working at communal level. The district is sending many officials to attend training courses and selecting new officials to ensure that, by 2004, administration at the communal level would meet the requirements set out by the provincial administrative reform program.
- At the communal level, the perception of communal officials about administrative reform, especially those in upland communes, is limited, relative to that at district level. No commune has had a specific administrative reform program. Communes mostly rely on "direction from the provincial and district government". The issue of the competency of communal and village officials was always mentioned (standardizing the four professional positions and drawing up training plans in accordance with general regulation³). It was found from interviews with communal officials that recent improvements to remuneration have made them more encouraged and motivated within their jobs. However, the following problem was mentioned, that of "the gap between the remuneration of the head and that of the deputy head (of mass organizations) is so wide that the deputy head is not motivated with his job". This means that increased remuneration may not result in accelerated administrative reform. At the communal level, there needs to be an administrative reform program with specific actions, accompanied by an effective monitoring and evaluation system that better serves the cause of poverty reduction.

³ Lao Cai's target is that by 2005 "90% of key officials of the communal government in region III shall have graduated from primary education upward; 100% of key officials of communal government in regions I and II shall have graduated from lower secondary education upward".

Recommendation: enhancing the effective monitoring and evaluation of administrative reform at the local level

In the interview, officials at various levels often mentioned outputs of administrative reform (enhancing the competency of officials, streamlining procedures or reducing contact points, for example). Yet they hardly talked about how to monitor and evaluate the impact of administrative reform on local people. What was often mentioned was the need to “write a report (every six months)”. Obviously, monitoring and evaluation is a weak phase in the process of administrative reform. Two immediate measures that should be taken include:

- guiding the preparation of administrative reform plans, with specific actions and clear divisions of responsibility, at communal level (linking administrative reform with poverty reduction and with grassroots democracy implementation); and
- formulating an effective monitoring and evaluation system for the administrative reform program (including evaluation methodology, and the impressions and comments of local people, for example).

VII. DAK LAK

1. Achievements

PAR has been piloted in DakLak, with technical and funding support from DANIDA, since 1997. All officials interviewed realized the importance of this reform and understood its long-term strategies. In the communes and villages visited, however, the majority of people interviewed do not have appropriate knowledge and understanding of the reform, as PAR has not officially started in their locality. Though it was still a bit early to discuss in detail, of course the perspective and view of government officials was that beneficial changes had taken place since the launch of PAR. These views may not only refer to potential changes brought in by the reform, but also reflect changes in general.

When discussing administrative reform, local informants frequently referred to i) the improved simplification of administrative procedures; ii) less time required for administrative procedures; iii) fewer unnecessary fees; and iv) better publicity of administrative procedures and their fees.

Having completed its pilot, the PPC, in Decision 719/QD-UB of 10 March 2003, has formally approved the ‘One Stop Shop’ model as part of PAR program. According to the relevant provincial officials, it will be launched province-wide by the end of 2003. A provincial committee will be formed to coordinate the reform. Based on the experience of the pilot period, a detailed proposal on the model of OSS, with its working regulations and procedures, will be developed by this committee. According to the Provincial Office for Organisation and Personnel, it is proposed that the piloted OSS will be adopted. This model primarily aims at improving coordination among key government agencies so as to simplify administration procedures in terms of reducing time, paper work, and unnecessary fees.

Box VII – 1: Example of PAR results

There were many examples people gave of the positive impact of PAR :

In the past procedures for business registration required several papers such as the application form, copy of identity card, residential registration book, professional certificate etc. But nowadays one needs only the application forms for business registration. People used to have to go to the notary office several times to have their papers certificated but now, only once. Procedures for a land-use certificate required people to go to several related offices but now only it is only one, taking only ten days in total in comparison with more than a month in the past. If it used to take a long period of time for issuing a business-registration certificate for private enterprises, nowadays it takes just five days on average. The former procedure to settle social policies, such as policies regarding Invalids or revolutionary martyrs took so much time but it takes only, at the most, 26 days now. If people had no clear information about procedures for a land use certificate before, now the procedures are publicly posted at the reception office. People are well instructed in all the necessary steps in what to do, what kind of papers are needed and the fee for each step.

People who came to have some administration work done at Buon ma Thuot city's reception office said, "Now I know what to do, everything is clear for me. This makes me happy when leaving the People's Committee".

2. Challenges and Inadequacies

Challenges listed by local informants included i) the slow process to implement the reform; ii) no clear plan of action yet for the implementation, making the integration of this reform into the overall development less of a regulatory obligation; iii) lack of ability of staff working in the field; iv) lack of equipment and facilities; and v) lack of clarity about decentralized mechanisms at the grass-roots level.

Administration reform in Eakar district, Buon Ma Thuot City, KrongPac district and the Provincial Cadastral Department only began in May 1997. On 20 February 2002, the DakLak People's Provincial Committee approved the plan for reform implementation in the period 2001 to 2005. During discussions at the commune and village levels, it became clear that local peoples were not aware of public administrative reform.

PAR has initially brought about a general improvement in administration work. Most provincial officials interviewed, however, had concerns with the fact that the piloted OSS model only focuses on addressing bad practices and poor coordination, but as yet has little to do with organisational structure or government staff's capacity and commitment. This might lead to the unproductive situation of a 'new pot but old wine'; meaning that there might not be any qualitative changes in the long run.

It is hard to implement reforms in the field when DOLISA is not a member of the Steering Committee. The current procedure of issuing the land use certificate and settling land disputes is only carried out by the Cadastral Department. The procedure sometimes got stuck at the Tax Office. If DOLISA were a member of the Steering Committee, this would not have occurred because DOLISA would be in a position to push the procedure at the Tax Office.

There is a lack of clarity about the designation of responsibility in the administrative hierarchy. Any cases that the district could not solve were transferred to the province. The province in turn transferred them to the higher-level administration and waited.

The ability of staff working in the field is limited. Their salaries still remain too low. Key grassroots staff are poorly educated, and have limited knowledge about people's rights. Since workloads have increased, many leaders at provincial levels have had to undertake a lot more work that is not usually their responsibility.

At present, only Buon Ma Thuot City People's Committee has a photocopy machine. All birth certificates and some other papers had to be entered/typed into the computer, but there were not enough computers for all communes. One inhabitant in the TungKuh village of Ea'Ral commune complained that he had to travel on foot for 7 km to photocopy his documents, and he had to go there many times as the commune staff weren't satisfied with the poor quality of the photocopy.

All members of the steering committee of PAR at provincial and district level have to undertake this work as an additional task. For example, the Chairman of the province, head of the board, holds 15 to 20 different positions at the same time. It was the same situation at the district level. The Chairman of the district holds many other leading positions. Consequently, they spent only a little time on this work. They wished to have 26 hours per day so as they could spend the extra two hours on public administrative reform work. Carrying out public administrative reform where the main protagonists have many different roles means that the implementer would certainly also be the supervisor of the work. This could mean that people would be placed in a compromising position. According to Mr Tri, the Deputy of the Provincial Office for Organisation and Personnel, it is necessary to have one agency that is responsible for public administrative reform.

There was a lack of clarity about the decentralization and devolution system. Recruitment of teachers for districts for example was decided by the provincial authorities, but why this could not be done at the district level remains unclear. Usually, staff selected from other areas did not have good experiences working in a new area, resulting in poor commitment to their work. Almost all teachers recruited by provincial authorities did not want to work at the grassroots level.

2. People's Proposals for Further Reform

- ***It is necessary to simplify banking procedures***

Villagers in Ea'Ral commune complained about the complex banking procedures that required them to go to the bank many times and to pay several kinds of fees. On average a borrower had to pay a sum of 300,000 VND for a loan of 5 million VND, depending on the relationship between the borrower and bank staff. It took people several visits to the bank to obtain a loan. As it is very far to travel from the village to the bank, in some cases people decided that they did not want to borrow money from the bank any more. The Communal Women's Union of Ea'Ral commune claimed that the late disbursement of loans was due to the borrowers' lack of knowledge of banking procedures, but also due to the too complex procedures imposed by the bank. Moreover, the bank requested that the Communal Women's Union have physical collateral when applying for loans, but under the regulations they should be able to obtain loans with social collateral only.

- ***Public administrative reform should be launched further at the commune level***

Public administrative reform was implemented only at provincial and district levels to date. A great distance separates villages from district centers, especially for poor villagers.

A legal service center was set up for the poor, according to provincial officials, but it is very difficult to get access to this service, as it is located in the provincial city. In the future such centers should be set up in the districts and 'one stop shop' administrative reform should be implemented at the commune level.

Box VII-2: Poor people faced difficulties in dealing with administration procedures

Mr Dieu Duong, Village 2, Quang Tan commune, Dak'Rlap district

The son of Dieu Duong passed the lower secondary school exams in 2000. He wished to continue studying further at the higher secondary school but the family was so poor. Dieu Duong was advised to meet the district leaders to ask for a tuition fee exemption. When he got to the district he was told to go to the province and there he didn't get the information on how to continue the procedure. As a result the son of Dieu Duong had to leave school.

- ***Running training courses for the head and vice head of the hamlet***

Almost all village officials needed to be trained to improve their working ability and capacity. Villagers also complained about the village officials' poor accountability to villagers. In the course of clarifying poor households for example, many poorer ones were left out. Similarly, village officials could not deal with the critical issue of the shortage of land under Decision 132, so the number of households who experience a shortage of land is much higher than initially listed.

The financial allowance for village officials should be reconsidered. At the present time, allowances for the village head and deputy head are only 90,000 VND and 70,000 VND respectively. Under the hard conditions of traveling far distances from village to village, that allowance could not even begin to compensate for their work burden.

- ***A system of two way accountability should be strictly applied***

The villagers in Village 7C, Ea'Hiao commune, complained about the delay in issuing residential registration books for the whole village. Since late 2000, villagers also had to pay a considerable amount of money for land certificates but they have not received them yet. People therefore proposed to have clear incentives for those who performed well and vice versa.

Box VII-3: Local administration failed to address land tenure issues

Mr Dieu Dinh, 53 years old, Village 2, Quang Tan commune

Mr Dinh has ten children, of whom five are married. His family has lived in the village for quite a long period of time and they have their land tenure certificate. In 1985 the state owned farm No 6 was set up. His land and other land belonging to villagers was seconded to the farm. In 1998 he and the inhabitants in the village requested that the commune solve the land tenure matter, but the problem remained unsolved as it is beyond the authority of commune-level officials. Since then there has been no concrete action on the issue. As a result, as many as 70 local households, out of the total of more than 80, decided to leave the village for more remote areas.

VIII. QUANG NGAI

1. Public Administration Reform at the Provincial Level

PAR program intends to establish a more responsive, transparent, accountable and efficient public sector that is better organized, structured, resourced and staffed to deliver services to people and businesses. A strong administration system could yield benefits by reducing transaction costs and opportunities for rent seeking while freeing up people's time and resources to deal with production issues rather than with 'red tape'. The poor remain in the weakest group both socially and politically and are the least able to handle rent seeking, or to cut through red tape. Undesirable and arbitrary bureaucratic behavior directly hinders their social and economic endeavors more than those of any other group. Thus, the poor and deprived segments of society would be the greatest beneficiaries of administrative reforms.

PAR has been carried out since early 2001 in Quang Ngai. PPC put into effect an administration reform plan for the period 2001 to 2005, which focuses on four issues: (1) institutional administration reform, (2) administrative system reform, (3) strengthening capacity for staff and civil service employees and (4) public finance reform.

1.1. Institutional Administration Reform

According to information obtained through group discussions, the PPC has established legislative lobbies for investment, which dealt with the regulations of construction and investment management, ODA and FDI capital management, policies for investment in Dung Quat and other industrial zones in the province, and the regulation for the compensative rate of land restoration. Since January 2002, the PPC had experimentally applied a 'one stop shop' service. Firstly, it was applied to seven departments: Construction, Cadastral, Planning and Investment, Provincial Clerks, Project Management Unit of Industrial zones, Provincial Board of Compensation, and land restoration of Dung Quat industrial Zone. Up to this point, six of the seven departments were conducting a 'one stop shop' service that primarily favored institutions and people in administrative activities, especially in matters relating to land allocation, business permission and registration. The PPC considered these activities as an initial base for a broader experimental application of ISO 9000 standard in administration services in the coming years.

1.2. Administrative System and Act Reform

To modernize administrative management, the PPC has approved the program “Informatics application in governmental administration in the period 2001 to 2005” and the experimental application of ISO 9000 standard in administration services. A Center of Investment, Commercial and International Relationship Promotion was established based on the combination of the Center of Commercial Information and Tourism Promotion (of the Commercial and Tourism Department), the International Relationship Division (of PPC clerk) and the Investment Promotion Division (of DPI). This combination concentrated on the management and administrative practices into – as the saying goes – a ‘one stop shop’ in delivering services.

1.3. Strengthening Capacity for Staff and Civil Service Employees

In recent times, the process of regular staff allocation and redundant staff replacements was carried out at the same time using a re-structuring mechanism that produced a more responsive and effective administration service.

The staffs’ planning, training and strengthening capacity activities are due to be completed during the period 2002 to 2007, of which the most important is the planning of personal resources for Provincial communist party congress in the 2006 to 2010 term.

1.4. Public Finance Reform

In public finance, the PPC carried out experimental assignments of staff regularization and administrative budgets in five institutions (three departments and two DPCs). The budget is assigned for three years (January 2003 to January 2005) with a rate of 21 million VND per capita per year. During the process of budget management decentralization, several DPCs implemented the decentralization and assigned responsibility for budget management to the education sector, thus creating a chance for this sector to work independently.

1.5. Summary

The province has made a lot of effort to change institutional and political mechanisms. The government structure has cut out wasted labor to become more responsive and efficient than before. The study team interviewed staff at provincial divisions, departments and professions that who were involved in experimental programs to implement reform. All of them had a good understanding of the provincial guidelines in administration reform. However, there are still some problems related to PAR in Quang Ngai.

- There are overlaps in several administrative procedures.
- The ‘one stop shop’ service was not expanded as much as expected, and its application met with lots of confusion.
- Almost all institutions that are not in an experimental application phase are still vague about PAR programs; their responses were “we did not know” or “it is just experimented in some institutions”.
- The same situation occurs in the dissemination and implementation of the New Enterprise Law. DPI, Tax, Finance, PMU of industrial zones, and the PPC clerk understand this law but others lack information about it. The

understanding of this law by business and the general public is also under question.

- The arrangement of non-productive offices and the privatization of sectors like education, health care and culture, as well as the implementation of new finance mechanisms in productive offices, have not matched the expectations of the PPC. The staff did not fully understand the responsibilities and position of public administration services and its privatization, as the custom is to rely on government-dependent thinking.
- The decentralization from provincial level to district level was not effective in some sectors, for example, veterinary, pest control and local health care systems.

2. Perception and Implementation of Administrative Restructure at District Level

2.1. Officials' Perception on Administrative Reform at District Level

The survey team conducted the study in the two districts of Son Ha and Tu Nghia. These two districts have different natural and socio-economic conditions, representing two mountainous regions that are geographically remote from the center and have difficult access (Son Ha); and the coastal delta, with quite favorable traveling conditions and near to the town (Tu Nghia). The perception of the importance of administrative reform differs between each region.

Son Ha district

Officials in Son Ha district have only just heard about administrative reform, as the locality has not yet been selected for the pilot program. When applying PPA tools, however, to illustrate set questions, local officials all expressed the opinion that they have difficulties and encounter obstacles within the local administration structure. The decentralized management of plant and livestock protection units is one of the emerging concerns. The district Division of Agriculture and Rural Development, the current management board, is facing various constraints in conducting an effective operation, and is unable to directly manage these two bodies. Documents directing the administrative reform process, such as One Stop Shop, New Enterprise Law etc, have not been disseminated widely yet. In addition, the administrative apparatus that is responsible for such sectors as agro-extension, health, savings and credit, and forest allocation, among others, continues to have numerous shortcomings, caused by weak capacity and the low number of officials with expertise.

The situation above is not so particular to the case of Son Ha district, but can also be found over many localities of the province and nationwide. In fact, it can be seen that district officials are quite passive, and always wait for top-down instructions. This can take away development opportunities for the people, and local officials themselves, in the current process of open-economic reform and fierce competition in attracting domestic and foreign businesses to invest in the local area.

Tu Nghia district

Although Tu Nghia is not a pilot district for the model on democratic regulation and administrative reform, district Party People's Committee and People's Committee have both actively made decisions and plans for specific action plans (decision No.407 QD/UB and plan No.168 KH/UB dated July 3, 2003) for renewing and

enhancing the quality of the political structure at district's town and grassroots commune levels.

Box VIII-1: Changes after the implementation of giving strong direction to administration reform.

Mr Soan, Head of Tu Nghia district's Division of Personnel, Department of Labor, Invalids and Social Affairs

“At communes, before putting the democratic regulation into practice (Decree No 29), we operated under undemocratic conditions. The CPCs were themselves deciding to make decisions for all actions, then submitting to the DPC for approval. In quite a few cases decisions were made that did not represent villagers' needs. Requests were made for contributions to build schools, forcing villagers to pay according to the commune's orders. These payments were usually high and the allocation of the expenditure was not transparent, and this caused public dissatisfaction. Officials were bureaucratic in manner, and administrative services did not correctly and sufficiently respond to farmers' demands, claiming that the situation warranted their behavior, especially because of the continual demands made by the villagers. In some cases villagers gathered to demonstrate against the commune officials. In addition, there was agitation by some bad elements of society and some religious organizations that made the situation more complicated.”

“Since the district applied a strong-hand to administrative reform, apparatus organization and the implementation of democratic regulation, the situation has been much improved, and the number of claims has been substantially reduced.”

This schedule and action plan has concentrated on dealing with specific problems in the process, including checking and investigating the institutions linked with administrative actions, strengthening the governing machinery at all levels within the district, improving the effect of administrative management, addressing government employees' efficiency, and personnel planning.

Box VIII-2: Several activities of Tu Nghia DPC are specified in the action plan No.168 KH-UB dated 3 July, 2003

- Professional divisions under district bodies need to actively arrange working regulations, to report to the People's Committee for approval and decision-making.
- The district organizes all administrative action at grassroots levels by strengthening all actions at commune level, such as making an agenda and publicizing the calendar to the people; a suggestion box should be available at the commune office.
- District personnel officials supervise grassroots levels to overcome slow-moving activities, bring people's participation fully into play, and deal with the burdens of administrative management.
- District's People Committee reviews and issues documents and regulations on the decentralization of management for commune government in the input and output of state budgets, staff organizations and management, land and housing management, environmental sanitation, management of medium and small sized projects funded by the state budget and people's contributions, educational materials management, and healthcare.
- DPC also pays consideration to the province's People's Committee to adjust regulations for the organization of villages and wards for the clear identification of the function and responsibilities of the village head.

Many officials who are involved in the implementation of this policy were very positively voicing their opinions to the mission team on the importance of improving the efficiency of administrative procedures in the service of hunger eradication and poverty reduction.

2.2. Administrative Mechanism Reform at District Level

The reform of administrative mechanisms is one of the most important parts of the whole process of administrative reform. Local officials often passively wait for the promulgation of regulations and resolutions at the higher province level before carrying out the administrative reform. During the interviews and surveys, it was found that district officials, in fact, are able to understand the grassroots levels' situation and have the capacity to strengthen administrative mechanisms. However, the precondition is that core staff should have the knowledge of policy and procedures in order to implement urgent programs for economic development. This can be illustrated by the surveys. Tu Nghia district, with its favorable location, educated officials, and fierce competition in attracting investments from the town, has itself been aware that development needs not only preferential and supportive policies but also dynamic and flexible machinery, with a sound and open mechanism.

The research shows that both districts committed to having promoting a unique approach in the management of the agricultural sector, which was defined at province between the plant protection unit and veterinary station (now under province's umbrella) and between agro-extension and the irrigation sector (now under district's management). Under the existing management mechanism, the district Division of Land Administration – only manages all collaborative activities relating to these two sectors but they are unable to directly manage other activities. This results in barriers in directing and dividing appropriate works and actions.

2.3. Implementation and Impediments in the Implementation of the Reforms for Strengthening the Capacity of District Officials

Enhancing an official's capacity is always considered a basic element in the development process. Generally it was found that leaders have been aware of these problems and have paid attention to overcoming them. With the creation of programs by the province for improving knowledge as the demands of the work increase, Tu Nghia DPC has also actively set a planning process for their staff for the period 2005 to 2010. Contents of the planning are not publicized yet, but according to Mr Huynh Ngoc Soan, Head of Personnel, Labor, Invalids and Social Affairs, "planning will be finalized by 2010 for four core functions and five5 positions for districts and communes".

Communal officials' capacity is a decisive element in administrative reform, especially in difficult and remote communes. Generally, commune officials are limited in number. The number of commune officials categorized under the pre-official type is low. One commune on average has 19 officials; when they are close to retirement, a replacement is sought. As a district official said: "All holding a retirement certificate, then seeking for replacement". Even in Tu Nghia, where there are positive efforts to plan the recruitment of officials, the identification of leadership sources has only just begun and there is no specific plan for substitution at the commune level. Using PPA tools for analysis, the district would need six to seven substitution officers (at both commune and district levels) to ensure the quality of officials in employment and for further training.

According to Mr Soan the “village head works much harder than the commune's vice-chairperson!” As a regulation, the village head is now paid 100,000 VND per month through the province's budget; the remainder of the subsidy is provided by the locality (district level). However, actually putting solutions in to practice differs from one locality to another. Son Ha district can only provide sufficient amounts from the province's budget to village head. But Tu Nghia is in different circumstances. The district People's Committee decided that the wage for villages heads should be two thirds of the commune's vice-chairpersons, of which 100,000 VND comes from the province's budget and the remainder from the district's budget. At present in Tu Nghia the average salary of the village head is 230,000 VND per month and the position of village deputy head does not exist.

2.4. Public Finance Reform at District Level

Both studied districts have not implemented the pilot public financial reform in official planning and financial expenditure.

2.5. In Summary

Applying the PPA tools in the two districts of Son Ha and Tu Nghia, the study team encountered some problems in administrative reform at district level.

- District officials have a high perception of the role of administrative reform, especially in localities that have potential and favorable locations for the development of industrial and processing zones.
- The potential for district officials to manage themselves to execute reform of the administrative machinery is there; however, it still needs to have support from the province in localities that require assistance.
- It should encourage localities to implement administrative reform at the most suitable conditions in the locality.
- The role of planning for staff recruitment of young and capable officials is seen to be important, though the paradox is that a poor locality cannot attract educated officials. Local resources must be fully utilized to improve the capabilities of existing staff, as this is crucially necessary in both enhancing the efficiency of administrative machinery and saving for the state budget.
- District administrative machinery can quickly respond to the requirements of potential and current investors, even though the ‘one stop shop’ mechanism is not formally widespread. However, the lack of a specific sanction from top levels of government means continuing unforeseen elements for investors.

Some works have been decentralized to commune level; for example, revenue and expenditure of the state budget, personnel organization, land and housing management, environmental sanitation, management of medium and small sized projects funded by the state budget and people's contributions, and management of basic materials for education and healthcare. The results have shown more effective administrative procedures and a release of pressure on the work levels of district officials. Paradoxically, numerous difficult communes, with a high rate of poor households, have to depend on the district for support due to the lack of knowledge and capacity of commune officials. According to Mr Dinh Huy Thuc, secretary of Son Ba party's committee, Son Ha district the “commune's financial staff are too weak, unable to manage a balance-sheet for Program 135, and cannot even call for support from district financial staff”.

The issue of public administration is totally new to district officials and even provincial officials. According to them, the purpose of government is to serve the people. Many administrative activities must be explained by government staff, even to poor and uneducated people, who must be persuaded and even given support to implement set schedules. In the opinion of the district officials, it is best to enhance the capacity of the administrative machinery, provide higher allowances, and fully inform people on upcoming orientations and directions. The way of thinking that people are 'clients' and officials are 'sellers' has not yet imprinted in the mind of both people and administrative officials.

During interviews, district officials all said they did not know about the New Enterprise Law 2000, even though some were from the district's Division of Planning and Investment. The main reason might be that there are few businesses operating in the locality. In an open market economic environment, professional staff are still poorly informed, which raises the question of how much information is available to private businesses and individuals.

3. Perception and Implementation of Administrative Reform at Commune Level

3.1. Perception of Administrative Reform

The four communes studied represent different natural and socio-economic conditions, different staff's capacity levels, and different ethnic peoples.

Commune officials had all heard about administrative reform and democratic regulation at grassroots level, except for the 'One Stop Shop' mechanism and the New Enterprise Law.

3.2. Implementation and Impediments in Implementing Administrative Institutional Reform at Commune Level

Throughout the survey, it was found that the provision of administrative services has progressed since 2000, the start of the implementation of administrative reform. Requirements for carrying out administrative procedures (birth certificates, marriage registration, registered resident book, temporary resident registration, etc) have been communicated by district officials to commune, from commune to village, and so on. Higher-level officials have had to take responsibility to inform lower level officials and actually visit the grassroots level to facilitate the implementation. Especially in areas where the villager's education is at a minimal standard, people's perceptions of the importance of administrative services almost do not exist, so this is still an effective measure.

Box VIII-3: Comments from legislation official of Son Cao commune

Mr. Duc: "Villagers' knowledge in the commune is low. Commune officials ensure all types of the most common public administrative procedures are known to villagers, and collect money in accordance with ministry of finance's regulations. For instance, a birth certificate form was sold for 1,000 VND, and the fee for making birth certificates was 3,000 VND but almost no household applied. When children go to school, once again we inform them that they must apply for a birth certificate as part of the regulations but no household complies; even many parents forget their children's birthday."

“The fee for making an ID card is 12,000 VND. Since 2002 officials visit the villages to persuade villagers to obtain a card but many households don't think it is necessary. However, to ensure the assigned plans, I still issue cards and then persuade the villagers to pay after.”

“Villagers have been informed of the procedures for temporary resident registration, but they still do not follow them. The labor force goes far away for work but the villagers don't obey the requirements for registration of temporary residents, as well as identification cards. Recently, the police and I arrested a vehicle full of communal residents traveling far to seek work but no one had declared this at all. ”

Many directives and policies of the Government on administrative procedures have not properly reached the farmers, due to the limitations on commune and village officials' knowledge. A village official when asked, “how is information disseminated to the villagers in commune meetings?” answered, “It is unavailable at the moment; I will recheck when meeting with the commune officials”. We replied, “In case you have no chance of checking with commune officials?” We just received a free-minded smile for the answer!

Fee levels for undertaking administrative procedures in communes are the same as the regulation fee, and prices were suitable and checked by the study team through different information networks. Whatever the charge, the villagers do not implement these necessary procedures, especially in the poor communes. Commune officials informed us that living conditions are poor so the level of charge, however small, is unaffordable to the farmers. Procedures may be simpler but this level of charge does not enable the poor to access all administrative procedures.

Table VIII-1: Fee levels for implementing administrative procedures at commune

Administrative service	Total fee	Detail
• Birth certificate	4,000 VND	1,000 VND certificate + 3,000 VND fee
• Marriage registration	15,000 VND	4,000 VND certificate + 1,000 VND paper + 10,000 VND fee
• Temporary leaving (from 1-6 months)	15,000 VND	
• Making population declamation NK3	12,000 VND	4,000 VND book + 8,000 VND file fee
• Identification card	10,000 VND	8,000 VND card + 2,000 VND file fee

Throughout the survey it became clear that officials of some agencies don't create favorable conditions for implementing administrative services but use their power to increase the income for the commune to finance local infrastructure projects.

Box VIII-4: How much to stamp an administrative document in Nghia An

Nghia An commune, Tu Nghia district

The commune has a plan to make concrete inter-village roads, using villagers' contribution. The commune has a large population and management of its affairs is complicated. The livelihood of the villagers of the commune is based on fishing far from their homes. The CPC gave a directive that anyone who obtains any administrative permission or certifying documents from the commune will be charged and that these charges will be used for the purpose of constructing the road (from 100,000 VND per poor household to 400,000 VND per better-off household). This leads to a situation where many villagers would rather not obtain birth certificates for their children or identification cards than pay that large amount!

The provision of administrative procedures, judging by the comments of the commune's officials, is sometimes slow. The main reason is that responsible officials have insufficient knowledge and capacity to make the right decisions (especially in regards to easily disputed issues like land allocation, or social assistance from the Department of Labor, Invalids and Social Affairs). Local officials pretend to be waiting for a related agency's participation as an excuse for delaying the decision.

Emerging problems related to the implementation of administrative procedures have distinct features at each studied commune. It illustrates the diversity of villagers' demands, as well as the way problems are dealt with by the local officials.

The study also reveals that the transparency of the commune's administrative activities is considered to be improving. Volunteer services in implementing administrative procedures are now in place, decreasing demands on public administrative services, though they still contain outdated facets.

Box VIII-5: Perception of commune's official on administration reform

Mr Trai, Chairman, Son Ba CPC:

Administrative reform since 2000 is more favorable to the people. The legislation sector has effective actions, with encouraging results in the provision of administrative services, and it is more convenient for people to receive public services.. Transparency in administrative works, particularly in finance, has to be communicated to the people, and directives all have to be reported to the people.

Box VIII-6: How officials provide extra administrative service

Mr Nem, Secretary, Son Cao party committee:

Administrative procedures have been improved. For example, recently, the commune has directed the land administrative sector to deal with disputes on land claims as soon as possible. However, there remain a number of shortcomings. For instance, a commune official assisted villagers to receive allowances faster. The money was not given to the villagers but kept by the official. The villagers in reality received the allowances in the form of grocery from the official's own store which are charged at a higher price.

3.3. Implementation and Impediments in Implementing Mechanism Reform and Recruitment at Commune Level

At present, a commune has 19 members (including positions in the Party, People's Council, People's Committee, functional officials and mass organizations). Responsibility for administrative activities are now assigned to various individuals, but one official still has to cover different areas of responsibility.

The commune is divided into smaller villages, then residential areas and then production groups. The province and district decided that each village should have only one head and no deputy head, but in fact all surveyed communes have a deputy head. Besides village officials, there are policemen, village health workers, and personnel in mass organizations.

The biggest problem at present in poor communes is the capacity and education level of officials. Lack of hard work plus a low education level has a strong impact on the organization, efficiency and arrangement of programs. Training for the future replacement of officials is also a concern. Children growing up within the district are the most obvious choices for training to become officials, but experienced on-the-job training is really a necessary element.

Box VIII-7: Comments from Secretary of Son Ba Party Committee

Mr Thuc, Secretary, Son Ba party committee:

The management system should supplement the commune's regular staff; we require five more administrative positions.

The assistant official for the commune is now supplemented from the province, but he graduated from land administration so his experience with other administration and legal documents remains insufficient.

The financial staff are ineffectual, and incapable of managing the balance sheet for Program 135, so the commune chairperson has to directly work with district Program 135 management board.

The staff of the Department of Labor, Invalids and Social Affairs also have a weak capacity; even those voted into the Party and People's Committee who have a Grade 12 education level, cannot work efficiently.

The agro-forestry sector has no professional staff to take charge, and so the commune's vice-chairperson is in charge of the agricultural sector but has no professional knowledge. Therefore all professional works cannot be supervised. If there can be no professional staff for the agro-extension sector, then the district agro-extension workers should conduct more training to support farmers.

The practice of placing graduate students in the commune to help the commune's officials is highly appreciated, and received numerous support from the communes' officials. But, as Mr Thuc mentioned, their fields of study differ from what they face day-to-day in the commune. Consideration should be given to this point when the province and district continue this practice.

The practice of shifting commune's officials in to permanent civil servants, according to various opinions from the commune, should be considered carefully in terms of education level as well as professional knowledge. Since the number of officials are abundant, but those who can meet the demands of their work are lacking, who should be shifted to the position of civil servant and who should not poses a big question. Higher salary and subsidies for civil servants make the idea of shifting officials more attractive to some. But many officials said that, at present, after being busy with piles of paperwork in the mornings, they then go to grassroots sites in the

afternoon. If they became civil servants, how could they visit the sites We found that opinions on shifting officials into the civil service were not the same.

Box VIII-8: Perception on working time of commune officials

Mr Nac, legislation official in Son Ba commune, Son Ha district

When being asked about administrative reform and your idea on shifting officials into civil servant, he said: "At the moment we work only in the morning, and we have heard that if we became civil servants, we will have to work **24 hours per day**".

The type of discipline applied to incapable officials who breach regulations attracted much discussion at commune level. When we asked, "Does the chairman of the CPC have the power to sack officials or reject an elected position?" Mr Thuc, Communist party secretary of Son Cao commune hesitated. "... No, and it is good if that works..." He still wants to be the person responsible in the district for personnel management, but added that it "...should be subject to the approval of the district to avoid mistakes". Mr Nem, Secretary of Communist party committee in Son Ba commune said: "in many cases, the officials are weak in capacity but we cannot replace them because that person has been approved by the people's council".

Village officials are the ones who directly work with villagers. Mr Soan in Tu Nghia district observed that the "village head works much harder than the commune's vice-chairperson!" The village head plays a key role in the dissemination of information to households in his residential area. The village head defines the degree in which villagers can have relationships with higher-level administrative bodies. He has a great influence over the quantity and quality of the information that the villagers get from the Government. He propagates the State's policies and plays a role in providing feedback from the bottom up to higher levels of government.

Since most villagers go to the village head to ask for information, and to send their petitions to higher levels, it is important to know how fair and how well the village heads push information upwards. In many cases, there are clear signs of bias, depending on the village head's own interests. New requests for information from poor households can be rejected and not reported to higher levels because the village heads are afraid of bearing responsibility. Village heads can overuse their power to benefit their family and friends.

One important thing to note is that all village heads are men and, as a result, their attention to the urgent needs of women in poor households is minimal.

Our recommendations for administration reform at commune level, based on information gained from PPA tools, are as follows.

- There have been some positive changes in the reform of administrative procedures at commune level but the pace is very slow.
- Poor households cannot access fundamental administrative papers and procedures due to economic difficulties. As a consequence, it makes it harder to send children to school, borrow capital from the bank or assure employment rights.
- There have been some private administrative services but they are not organized. As a result, the poor cannot benefit from these services.

- Procedures for land allocation and afforestation display signs of corruption and the misuse of power to benefit the relatives and friends of officials in the commune.
- Transparency and equality are always in mind but not really implemented. It can be seen in the difference between the living conditions of commune officials and the villagers. This also is illustrated by comparing villages. In Son Ba and Son Cao, the villages that have more officials, are richer than other villages in the same communes.
- The importance of capacity building for commune officials has been noted by higher levels of government and some measures have been carried out such as to regularly exchange staff, and to support graduate students to work as secretaries for the commune chairperson. But there are limitations. Exchange officials found it difficult to work in a new environment, particularly when faced with local concerns. Graduate students, following the regulations, have no power and can only complete minor tasks like finalizing a report or correcting documents. They cannot promote socio-economic development or put scientific techniques into practice. Meanwhile, PPA tools proved that the demand for officials with expertise, especially in the agricultural sector, is quite large.
- PPA tools also illustrated the great demand for knowledge on developing business, economic shifts, farming economy and large-scale production to push the commune's economy, but these demands have not been touched upon yet.

4. Villagers and Administration Reform

4.1. Villagers' Perception of Administration Reform

PPGA results showed that villagers realized the initial success of the administration reform through more convenient and faster processes in administrative procedures: "Normally it takes one day to finish". However, information is disseminated differently in the study areas. In villages that are far from the central commune (such as Xa Ay and Lang Gia village) villagers often lack the knowledge to conduct procedures, or have few opportunities to implement them.

Box VIII-9: Problem of villagers' awareness of administration reform

In 2000, ID cards were publicized to villagers in Lang Gia village, Son Ba Commune. Commune officials communicated to the village heads, who informed the leaders of the production team, who then publicized to the villagers. To obtain an ID card, each person has to pay 12,000 VND, (or 15,000 VND in a different village). However, at the time the provincial police made the ID cards, villagers did not have enough money to pay for the card. In contrast, villagers may have enough money but not at the time the provincial police are making the cards.

At a meeting of the poor families group, Mr Phan and another poor man from the Bung village, Son Ba Commune said that they did not know what the ID card is!!!

Administrative service fees are widely known to the villagers and they were able to list them for the survey team. This is a result of successful efforts by commune and village officials. The problem of officials charging a higher cost, or making difficulties with payments, was not often mentioned, except one case of a DOLISA official in Son Cao commune.

The study team asked whether the service fees were reasonable, and villagers replied: “poor families are in too much financial difficulty to buy a document for the birth registration”. The difficulties are even more for self-supported families located in upland and remote areas, even though the certificate costs only 2,000 or 3,000 VND. The question is whether the government reduces or exempts administration fees for poor families.

Administrative procedures directly affect families, especially the poor ones who do not have enough money to pay the administrative fees. Even in the family of the leader of the Lang Gia village, the last-born child is attending Grade 1 without a birth certificate. This leader did not know about the procedure for birth registration. He thought the teachers would do it for their students. In fact, the birth dates for children are not accurate, and based mainly on the number of years that he/she had been registered. Therefore there are some children who are learning in Grade 1 or 2 but who are actually older than others in the grade.

Concerning the process for making ID cards, most households could not borrow money due to the lack of an ID card. They said that they couldn't afford the costs of 12,000 VND at the time the police officers conducted this process. Even during the interviews, some villagers still answered that the cost is too expensive to pay.

4.2. Related Procedures for Implementation and Reflection from Households

a. Procedure of Allocation for Agricultural Land (Red Book) and Forestland

Agricultural land allocation processes in surveyed sites almost completely followed the Government's Decree 64 ND/CP. The fee is 10,000 VND per 'red book' and most households complied because villagers perceived the advantages of this work.

Communal registration staff, together with village heads and production team leaders measured the area of land to allocate. Villagers who are owners of the land cannot take part in this process. According to several comments, the allocated area was inadequately recorded in the 'red book'. We agreed with Mr Ni, deputy chief of Lang Gia village, who said: “even a 'wise guy' who tried to re-measure would know that the allocated land was inadequate”. Actually, there were two households whose allocated land was less than they believed it should be, and they asked the registration official to re-measure and re-allocate the land. Despite paying 10,000 VND for the 'red book', the farmers were very excited about its advantages.

There were erupting conflicts over the forestland allocation, protection and plantation activities. The PPGA's results showed that the process of forest plantation planning took place without villagers' participation, that the choice of allocated households was doubtful, and that the conflicts about allocated forest were not solved effectively. The conflict is not only between villagers and communal officials but also between villages, because some villagers in one village were allocated forestland in the area of another village.

There was a problem in the commune because some villagers wanted to forest but they were not accepted. In Son Ba and Son Cao communes, forestland under 372CT and five million hectares forest programs are allocated mostly to the commune leaders and better-off villagers. The afforestation allocation was not communicated in open meetings; there was no vote for the allocation. Villagers said that, “only officials from the level of village chief and over would be allocated”. They

also said that “the poor must not plant cinnamon trees”; communal authorities “would allocate some officials without the agreement of the poor”.

Box VIII-10: Problems in forestland allocation in Son Cao commune, Son Ha district

In Son Cao commune, Mr Pheng, chief communal clerk, is responsible for forest plantation’s management. Forestland allocation began its implementation process. The commune informed the head and deputy head of the village in order to hold a meeting for household registration. The registered household would be given money for planting and transporting the seedlings (planting: 936,000 VND/ha, taking care: 300,000 VND/ha/year, regenerating: 52,000 VND/ha/quarter). However, in the village meeting, a farmer objected to planting in the forest because numerous forestland areas were cassava planted terrace-fields. The allocated households (approximately 30 households) did not have this kind of terrace-field. Communal staff instructed the villagers to plant in >15° sloped land, but now the trees are planted right at the foot of the mountain. The planter spoke directly “to plant is to plant, but we would pull them all out then”. Village staff were powerless, communal officials had no comment!

b. Procedure in Access Credit and Loans

The PPGA showed that the need for borrowing money is large but financial procedures were not available to poor households. Mr Them, from Nghia An commune, said that he wrote an application but it had been rejected without explanation, and he cannot understand the reason why. After we checked, we were told that the reason is that there were so many villagers in the commune who failed to pay back the loans by the due date, so that the bank will not finance poor households. The real problem is that these reasons are not explained or communicated to the villagers.

Box VIII-11: Question of financing registration

Mr Phan (Son Cao commune) said that from 2000 there were 100 households who had registered already with Mr Tranh, Chairman of the commune’s Farmer Association. Each household paid 2,000 VND, and then signed (or finger printed) the loan application form. Three years have passed by and people forgot what is in the form, they do not know where their files are at the moment, they are not financed yet and they did not know who they could ask. Some villagers asked Mr Tranh and were told that it is at a “higher level”.

c. Administrative Procedures for Merit Certificate Holders

In some regions, the implementation of rewarding men and women for their contribution to the national liberation cause was facing big problems such as in Xa Ay and Lang Tra villages, Son Cao commune. In Xa Ay village, 25 households claimed for their contribution and 18 households were approved and granted a certificate of merit but these people have still not been given money. The same thing happened in Lang Tra village with many certificate of merit holders not rewarded.

The big problem is that the officials in charge of filing documents for the certificate of merit asked the applicants to share their money if they are rewarded. This information was verified at a feedback meeting with the commune and communal policeman who said that, “of course, those men of merit have to share because it is a

service”. This information was re-checked, and it illustrates a more serious situation of corruption than was first realized.

Box VIII-12: Problems of charging higher ‘service costs’ for merit-people of Son Ba commune, Son Ha district

Information from in-depth interviews showed that there is a case of a communal social affairs official, who also has his own business selling groceries and machines. He often asked for money (higher than regular) for procedures to help villagers get subsidies from MOLISA. He made villagers who could receive money buy things from his business but pay back later at a very high cost. When their money was allocated, he just receives money from these people. The interviewee (in Lang Bung village) admitted that he had received 1.4 million VND from the reward of the first class medal. He had to give 400,000 VND to those who had assisted him to receive the reward through this communal social affairs official; other villagers have to do the same. The official also continued to earn more money by forcing villagers to purchase at a high price.

d. Propaganda System and Implementation of Democratic Regulations

In remote communes, the problem of communication is not only because of non-participating households but also careless propaganda staff. Many villagers said that because they were illiterate they cannot write down the directives and then they forget. For this reason, we should have a better method to disseminate and communicate information to the villagers. It could be via a broadcasting system; for instance, in Son Ba commune, because of the difficult geographic conditions, the way to the center is to cross the river without a bridge, so that propaganda staff cannot go in to the village, especially in rainfall season.

Villagers’ knowledge of democratic regulations and administrative renovation in communes is insufficient. When we asked villagers whether they knew about democratic regulation, all the answers were unspecific. For example, democratic regulations were understood as inviting the old man of village for meetings then talk about great national unity, helping each other... In fact, they have no idea on the democratic regulations.

We asked the question: “Do you know about the rights of citizens? Do you know where to go if you need to complain?” Most villagers answered that they would come to see the village head or higher to the communal chairman, but when they were asked, what if the complaint is about the chairman?, they did not know who they would go to see.

More important, villagers reflected on the deficiency in administrative responsibility. Many villagers said, “I have some questions about forest-land allocation. I asked the village head, and he said ask the commune staff. When I came to the commune staff they said go back to ask the village head. Finally I did not know who I can ask.”

e. Household’s Evaluation of Administrative System and Procedure

In meetings, when they were asked whether the communal officials work effectively or not, the villagers had no answer; they just looked at each other, then bent down. They answered, after being encouraged, “...still not good in some matters”. By using PPA tools, the research team has identified the following problems.

- So many communal officials do not understand the activities and detailed tasks of the commune. They are elected to hold the post on a short-term basis and they are not so interested in doing the work. Many of them are authoritative.
- Communal officials try to limit the publicity of its activities and the status of implementation-related regulations and programs. Particularly, no one knows about annual income and expenditure of the commune's budget in the four surveyed communes.
- Villagers cannot recommend anything on measures to improve the working quality of communal officials. They do not know how they can help.
- Villagers have not heard of, and cannot imagine, a policy to shift communal officials into permanent civil servants.

IX. NGHE AN

Public Administration Services

Currently, when people need to have their documents certified, at the village level, they know where to go and whom to meet. Administrative procedures are fair and reasonable at the village level. Because village officials and villagers have close community contact, people are in the habit of going to officials' houses to get signatures, and they are happy with this type of work style. Not only individuals, but also owners of small-sized enterprises are treated to favorable administrative procedures.

People do not complain about the attitudes of village officials, or about administrative fees. People seem to appreciate the 'one-stop shop' service because, in remote areas, it is time-consuming for people to travel to other villages or districts, and sometimes they are unable to meet the correct authority.

The fact that, in the future, village cadres will become government civil servants will not significantly affect the relationship between village cadres and villagers. Villagers have requested, however, that cadres must be professionally qualified and formally trained, and that they must maintain their working hours and be respectful.

At present, the commune still uses a 'multi-door' public service delivery. When people come to the CPC asking for certification of their papers, they know what divisions and desks they should attend according to the instructions posted on the doors. After they enter one door for a signature, they then go to another division for a seal.

Box IX-1: 'One-door' service has not yet been carried out at the commune level

A woman, aged 52, in Thai Cat village: "When I made a birth certificate, and asked to extend the valid duration of my children's working documents, I had to go to the public security division first. When I had the written certification, I went to the [commune's committee] chairman for signature, then I went to have it sealed."

Mr Tran Ngoc Vinh, aged 46, judiciary official and public security official of Nghi Thai commune: “The commune hasn’t been able to carry out the one-door service. For each kind of document, people have to go to at least three places. For example, if one requires a birth certificate, one has to go to the judiciary division, then to an executive for signature and then to the commune committee’s secretariat for sealing. When people go to the commune committee to finalize their documentation, they know what divisions they should go to because the formalities have been announced to the villages. However, I still want a direction table for the people’s convenience. It takes 30 minutes, at the fastest times, and two and a half hours at the slowest times, to go through formalities for certifying a document. There is one day in every week for the settling of citizens’ complaints. I suggest that the direction table should indicate those days on which people can attend in order to finalize their administrative procedures. In my opinion, there must be stipulations about specific days in the week that are available for people to settle the clearing of formalities. At present, we do not have sufficient working rooms; some rooms must house two divisions, thus creating difficulties for people. There is a specific guidance as to the fees to be paid for each kind of certification in the judiciary division. However, people are not concerned about that. They will only ask about fees when they have some documents to be certified.”

After canvassing the views of the majority of people who have different living conditions and occupations, it is noted that no one complained about the commune officials’ attitude and behavior, or the fees for procedures. Most people showed great concern and support for the ‘one-door’ administrative reform.

Box IX-2: Local people support ‘one-door’ administrative reform

Many people said this in unison in a group interview in Thai Binh village “This (the one-door administrative service) is an interesting idea because it lessens the formalities and troubles for people; however it has not been implemented here.”

People discussed a number of requirements that they feel must be in place during the coming change, when commune officials are turned into civil servants. Firstly, changes must occur in the context of speciality and management; for example, if someone has not acquired the educational and skill level required for their particular speciality, he/she must be sent for training. Secondly, it must be ensured that officials work according to office hours, and that they must enjoy people’s respect.

Box IX-3: State employees should be qualified persons

A man, aged 47, in Thai Binh village: “In my opinion, in order to become a State employee, commune officials must be holders of authentic diplomas and degrees. The State must work out stipulations, for example, commune chairmen and commune Party committee secretaries must acquire the educational level of college graduate or upward. The head of a division should also attain such a level. The question of enjoying people’s good regard is also very important.”

Generally speaking, people see administrative procedures at the commune level as being 'convenient'. As the volume of work of the CPC is not high, commune officials and local people have closely attached community ties. Sometimes, people come to a commune executive's home to ask for a signature. And people are fully satisfied with the service of the commune officials: when they are needed, they are present immediately.

Not only the rank-and-file but also entrepreneurs of local enterprises must also have administrative procedures facilitated for conducting their business.

Box IX-4: Administrative services have been improved

Nguyen Xuan Hoat, owner of a carpentry workshop in Thai Binh village:

"Last year, I didn't have any major procedures to clear, only minor administrative formalities. If I have documents to be certified, the commune chairman will do this for me, though some work will require the deputy chairman or the public security man in charge of civil household registration. It's in accordance with the specialized sector. For example, the public security division is responsible for the certification of civil household registration and civil status. As for administrative work, if the chairman is absent, his deputy will act on his behalf. A project may require going to one or many doors. If a project needs a lot of papers and certification, one must clear it through all the doors, otherwise one only has to go to the commune committee and that's all. It's quick to obtain certification at the commune committee headquarters. When one sees officials, they will do the work immediately and do not create any trouble because we only need their certification. Their attitude is cheerful and I'm satisfied with their service whenever I come to them."

Le Thi Ly, Tam Dinh commune, Tuong Duong district, carpentry workshop owner

"I came to settle here - Tuong Duong district - in 1977. When I opened a carpentry workshop, I had to go through procedures to obtain the commune and district's permission and to register for annual temporary residence for five workers. I didn't meet with any big difficulties in applying for permission to open a carpentry workshop at home, because it is only small. I didn't have to pay any expenses while clearing the procedures".

One of the difficulties in remote and isolated areas, as in Tuong Duong district, is that the CPC headquarters is very far from inhabitants' homes and the People's Committee only works five days a week (they are closed on Saturday and Sunday). It takes people a lot of time to go to the headquarters and sometimes they are unable to see the competent official in charge. It then becomes a waste of time, in both traveling and waiting.

Box IX-5: Easy access to administrative services

Question: Do you often go to the commune headquarters to certify documents?

Answer: Yes, according to law, when children go to school or work in some places, we must have ID cards made and prepare copies of their birth certificates and diplomas with notary's certification.

Question: Do you often have to wait long for commune officials?

Answer: We just wait in line. If they are absent, we go to their home.

Question: Do the poor dare to go to the chairman's house?

Answer: Yes, they do go. They don't have any scruples.

Question: Each time you cleared document procedures, did you go to the village

administration first or go directly to the commune's committee?

Answer: **Luong Thanh Quyet, aged 50:** When one wants to clear documentation procedures, some require the village head's signature, such as registration for one's temporary residence or absence in order to work as guest workers overseas or in other places in Viet Nam. Such procedures require the village head's signature first, then the commune's judiciary division and the commune's committee chairman. They will make certification so that one may go to work legally out of the locality. There are no difficulties in clearing the procedures. When one needs village and commune officials' assistance, they are very helpful and you can consider them like members of the family. The village head is like a father of the community. If he sees that your intention of letting your children go to work outside is legal, he will certify and sign the application.

Lo Thi Ha, aged 30, mixed group discussions, in Quang Yen commune, Tam Dinh district: As for documents on land and forest allocation, people don't have to go to the commune's headquarters to take them because the cooperatives will take care of that, and bring the documents to you. The procedures are convenient and clear. If one has something to ask the judiciary division, there will be somebody on duty on Monday and Friday.

X. QUANG TRI

The comprehensive poverty reduction and growth strategy clearly states that the overall goal is to strive to build a State administrative system that is clean, effective, and accountable at all levels. The PAR program was approved in September 2001, many areas of which aim at reforming the entire public administration system by 2010. One of the 29 provinces under the pilot phase, Quang Tri, with financial and technical assistance from the Swedish Development Cooperation Agency (SIDA), has piloted one-door procedures for land allocation and for the issuance of land use right certificates.

1. Implementation Process and Administration Reform Model

Quang Tri soon established the Public Administration Reform Steering Committee after the PAR policy was introduced by the government. The committee includes 11 members, nine are directors of relevant provincial departments, one is a representative of SIDA, and the last is the representative of the Foreign Relations Department. 'Break-through' areas of PAR at eleven provincial departments, which are the key players in PAR, including Cadastral Department, Construction Department, Taxation Department, Justice Department, Agriculture and Rural Development Department, Governmental Organization Department, for example.

2. One-door Procedure for Land Allocation and for Issuance of Land Use Right Certificate

An imported term, the 'one-door' reform was quickly welcomed by officials and local people as a 'new sign' of a really effective public administration system. In reality, it is the reform of working procedures or 'reform of working discipline and change of mindset of officials of the public administration system'⁴. The perception of this term varies, however, from the perspective of different groups.

⁴ Cadastral officials of commune of Hai Son, Hai Lang

Box X-1: A commune official's perception of 'one-door' service

An official in the commune of Gio Thanh, district of Gio Linh : "I just heard of the one-door service on the radio and read it from the newspaper. No information about it has ever been circulated in the area. In my opinion, the one-door service should allow people to come to only one place to get documentation for one matter. Obviously, one-door service is better, faster and should reduce corruption-related petition cases (in the past). And if corruption remains, it will be corruption caused by 'one person' rather than by 'many people'."

For enterprises, the one-door service is linked to 'streamlining administrative procedures' 'This service is certified by communal authorities, and at the district level, representatives of related departments and agencies shall be seated in one room (place)'. The concept of the 'one-door service' has hardly reached local people. Discussions held at eight villages show that most local people are not informed about this service.

Box X-2: Local people lack awareness of 'one-door' service

People at village of Hoang Ha, commune of Gio Thanh, district of Gio Linh: "We never heard of this service, as we have not needed any documentation that would use this service recently. We could only know it when the need arises."

3. The Influence of Public Administration Reform (and One-Door Service)

Streamlining Procedures for People

The one-door service helps to accelerate the pace of issuing land use right certificates to people. Two years into the implementation of the one-door service, officials and local people from Quang Tri have concluded that there has been an increase in the speed of land allocation and the issuance of land use right certificates in the entire province, especially in urban areas. There has also been an impact in the training of, and transfer of new technology to, officials in the cadastral system.

Box X-3: 'One-door' service has accelerated the issuance of land use right certificates in Dong Ha town

Deputy Director of PAR project: "In five precincts of the provincial town of Dong Ha, the percentage of households given land use right certificates rose from 4.8 percent (192 households) in 2000 to 14 percent (552 households) in 2001. Relative to other precincts in the provincial town, where the one-door service has not been implemented, the pace is eighteen times faster. Progress

has been made in areas where the one-door service has been piloted, raising the overall percentage of households given land use right certificates in the entire province to 68 percent in June 2003, much higher than the nationwide average level of 40 percent.”

Strong decentralization in land allocation and in the issuing of land use right certificates has reduced procedural delays at decision-making agencies. That the authority of issuing land use right certificates to households and individuals is decentralized to the People’s Committee of district, provincial town and city under provincial control is an important factor in the success of the one-door service.

Box X-4: ‘One-door’ service allows further decentralization in land management to local levels

Officials at various levels in Quang Tri: The advantage of the one-door service model is to allow strong decentralization to local levels in the exercise of State management of land. In regard to land allocation and issuance of land use right certificates, for the first time the PPC, and sector departments such as Cadastral Department, Taxation Department, Construction Department, Justice Department, and Office of Provincial People’s Committee, just play an advisory role. Decisions are made and implemented by relevant district-level divisions.

Clear specifications about the function and responsibilities of members of the inter-sector task force has ensured that they take-up their responsibilities for procedures and documentation. The seven members of the inter-sector task force now address procedures that were handled by officials of various divisions in the past. A time-bound process for land allocation and issuance of land use right certificates is stipulated, with deadlines for each step. Applications must be processed within 13 days, otherwise the responsible official shall be deemed to have failed in their duty.

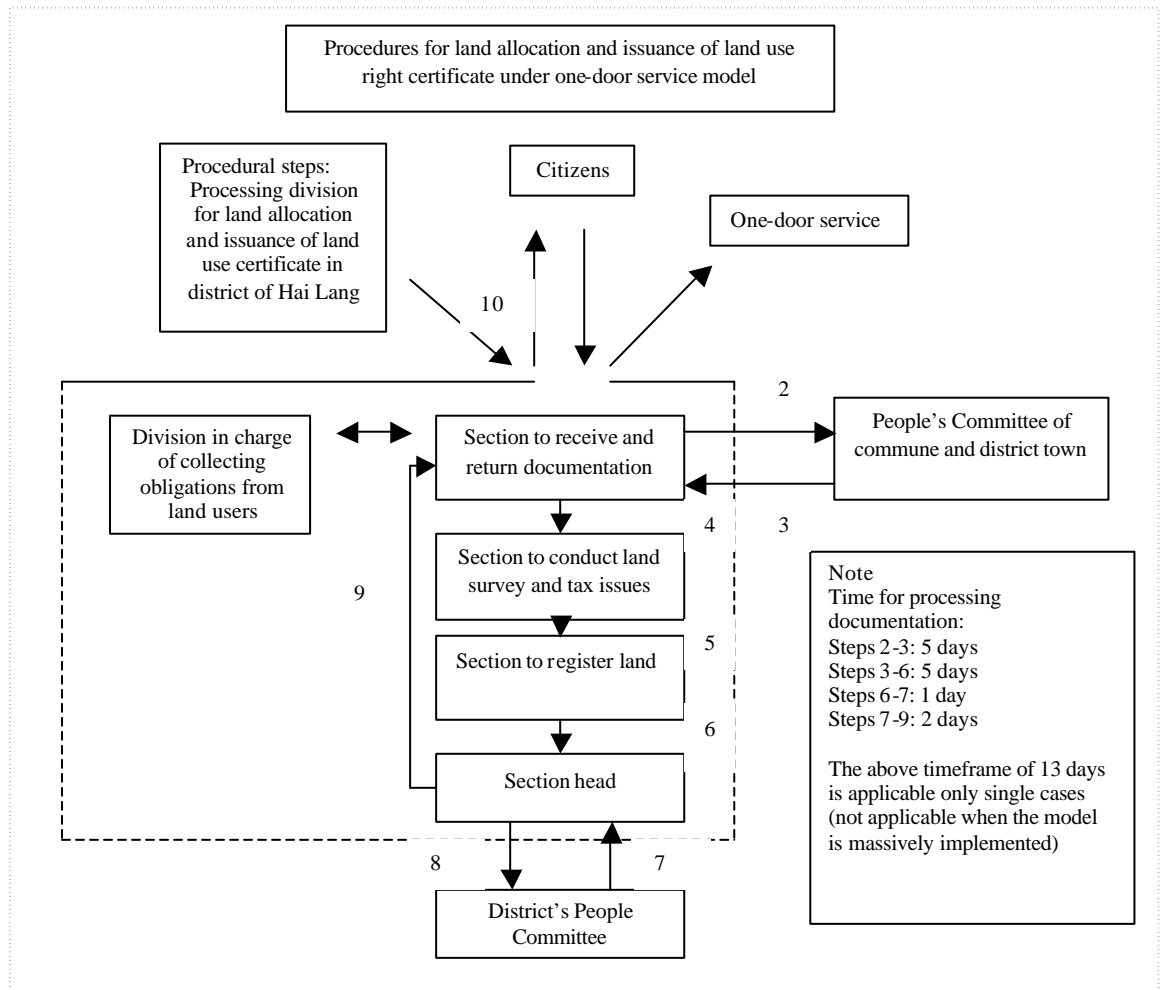
Streamlining procedures and reducing the number of ‘procedure-handling doors’ helps ease the ‘unnecessary bustle of relevant agencies (see diagram 1).

Box X-5: The number of ‘procedure-handling doors’ in land related issues has been reduced

Officials of district of Gio Linh:

- Previously, people had to visit ‘six doors’ a total of 12 times to complete procedures.
- Land users now visit only ‘one door’ a total of three times (the first for lodging application, the second for land survey, and the third for paying taxes).
- A plot of land used to be surveyed by officials of five agencies. That activity is now done by one agency only (cadastral officials).

Diagram 1



The current process for land allocation and issuance of land use right certificates helps reduce many errors in filling application forms, and thus the number of times people must attend the office. It also cuts the time needed for processing applications and completing procedures.

Box X-6: Simpler procedure to get land use right certificates

Mr Duong Thu, head of village of KHZ Muong: "It used to be very complicated to get a land use right certificate. The process included many steps and it took up to one year for people to get the certificate. It is now much simpler. I just completed the procedures for allocation of forestry land, and it took me only 13 days."

The biggest impact of the one-door service is, however, that people have recognized and exercised their rights and obligations vis-à-vis the State, with regard to land issues

People have been informed and recognized the seven rights of land users, such as the rights of land use, transfer or mortgage, for example. This is even more significant for the poor, for it means “more resources, wealth, and even power”.

Box X-7: People become aware of rights of land users

Director of the Justice Department of Quang Tri: Thanks to the dissemination of information about the rights and obligations of individuals vis-à-vis the State, people have clearly recognized the seven rights of land users: use, transfer, mortgage, etc.. It is reflected in the increasing number of people that apply for land allocation and issuance of land use right certificate, especially in the provincial town of Dong Ha and in the district of Cam Lo.

People at village of KHz Muong, Hai son, Hai Lang: “If people have the land use right certificate, they can demand that the State pay compensation for damage caused by the 500 KW power transmission line”.

The most important impact of the reform of procedures for land allocation and issuance of land use right certificates is that people can use the certificate for taking out mortgaged loans for business purposes. People have exercised the rights of land users to make investments into their business and thus improve their income.

Box X-8: Land use right certificates provide local people with access to credit

2000-2002 PAR performance report: ‘With the land use right certificate, people actively take-out mortgaged loans for investment in agriculture, forestry, fishery and services. As of November 2002, 20,447 households in the province have used land use right certificates to take out mortgaged loan from the banks for investment purposes (about 340 billion VND).’

PAR helps the State in land management, induces investment for economic development, generates jobs, and raises the income of the people

Previously, many land areas under State management have not been developed and used efficiently. In association with land use planning, administrative procedure reform has created a more favorable business environment for people and investors. In areas where aqua products, ecological zones, protected forests or agricultural farms have development potential, people are allocated with land and, thus, they are willing to make investments and to exercise the rights and obligations of land users.

Box X-9: More favorable business environment in Hai Lang district

Chairman of People’s Committee of commune of Hai Son, district of Hai Lang: In addition to land allocation, the district of Hai Lang has recently encouraged the reclamation of hill land for cassava plantation. In 2003, our commune reclaimed about 60 to 70 hectares for planting cassava, which shall be the raw material for the cassava-processing factory in Hai Think. People who develop agricultural farms are entitled to take out preferential loans (at an interest rate of 0.5 percent per month) from the district government under Program No 120. The communal government will also issue land use right certificates to these people for a term of 50 years and provide each farm with a grant of 3 million VND. In the first six months of 2003, three additional farms have been set up with a total area of 15 hectares.

The mindset of people in the public administration system has changed

The one-door service does not simply change processes and procedures but also the mindset of people who work in the public administration system. The three-year implementation result has, to a certain extent, proved the success of PAR in Quang Tri. The significance of 'private interest', which was linked to the 'ask and give' mechanism, has been restrained. The reforms have spread from the provincial town and one district under the pilot phase to the entire province. It is expected that the reforms shall be replicated in three provinces in the region.

4. Difficulties and Challenges in the Implementation of Public Administration Reform

Quota for Residential and Garden Land is not Clear and Adequate

Although land policy has been revised and supplemented, conflicts and problems still arise in implementation. Recognizing the increased benefits of land, many people engage in a lot of calculation and comparison.

Box X-10: Local people's view on land quota

People at village of Cu Sinh, commune of Linh Thuong, district of Gio Linh:
The reason cited by many people for not applying for the land use right certificate is that the quota for residential land and garden land is not appropriate. It is unfair to set a uniform quota of 300 square meters for every household.

Financial Obligation of Land Users is Too High Relative to Their Income, Especially the Poor

Everyone seems to agree that 'breakthrough' reform in procedures for land allocation and issuance of land use certificate has basically resolved the previous difficulties and problems. Yet it may not be so for the poor. Most people in the two districts said that with the current tax rate (100 percent), each household has to pay between 1.5 and 1.8 million VND. The poor can hardly afford to get the land use right certificate.

Box X-11: The poor has not yet benefited from administrative reforms

Cadastral official in commune of Hai Son, district of Hai Lang: In 2001, 811 out of 996 households in the commune of Hai Son received land use right certificates. The figure rose to 840 households in 2003 (an increase of 29 households). However, 29 households have still not received the certificate, as they could not afford to pay the tax.

The Dissemination of Information about Land Law and the One-Door Service Is Not Yet Effective and Adequate

Information about the land law and one-door service has only just reached communal cadastral officials via training. Local people, meanwhile, have not yet accessed this information. Many poor people have little knowledge about administrative reform, which prevents them from exercising their land rights.

Box X-12: Villagers have little knowledge about land law and rights

People of village of Cu Din, Linh Thuong, Gio Linh: “Why should I get the land use right certificate? I have been living here for long, so who could take my land back? Why should I pay a big sum of money for my ‘already-long’ stay here?”

Heavy Workload Versus Part-time Staff and Limited Budget for the Task Force

Under the 2003 plan, the district of Hai Lang shall complete the allocation of 1,500 hectares of forestry land and residential land for 722 households. As expressed by members of the task force, however, they could hardly hit the target given the current man power.

Box X-13: Implications of human resource constraints of the Task Force

Members of the inter-sector task force in the district of Hai Lang: “We only issue an appointment confirmation note for single cases of land allocation or issuance of land use right certificate. For collective cases, we cannot afford to issue it (the note means that the case must be processed within 13 days) as we are afraid of failing to meet the deadline.”

The budget for maintaining operations of the apparatus for providing public services is not small.

Box X-14: Financial needs to maintain the apparatus for implementing one-door’ service

Comment by officials in district of Gio linh: To maintain the apparatus for implementing the one-door service (the inter-sector task force), a monthly budget of at least 5 million VND should be allocated (covering allowances for part-time staff, fees for hiring contracted staff, administrative costs, for example). All of these items are currently financed by the SIDA project. As such, it would be difficult to maintain the apparatus without the project funds.

Furthermore, the old mindset of some officials slows down the reform process. Still, there have also been instances of non-cooperation on the part of public service providers.

Box X-15: The incompetence and non-cooperation of civil servants slow down administrative reform in land management

Officials of PAR Project: A review of the three-year implementation of administrative procedure reform for land allocation and issuance of land use right certificate shows that the deadline is met in 80 percent of cases. The 20 percent of cases that missed the deadline are attributed to errors made by people (50 percent) and incompetence and non-cooperation on the part of civil servants (50 percent).

Finally, many other ‘administrative activities’ should also be treated as ‘services’. Discussed above is just the pilot-phase workload in the area of land allocation and issuance of land use right certificates.

Box X-16: Comment by officials of Hai Lang district

Officials of district of Hai Lang: The goal of expanding administrative procedure reforms to other services, by adopting the one-door service model, is hard to implement, especially with current staff and limited budgets for operations.

5. Issues in Public Administrative Reform

The Impact of Administrative Reform in Other Areas is Unclear

Although administrative procedure reform in Quang Tri has just been piloted in the most important area of land allocation and land use right certificates, people's demands for reform in other areas is increasing. Many people still feel that they face a lot of difficulties.

Box X-17: Many enterprises still face difficulties

Group of enterprises in district of Gio Linh: We still face difficulties in getting birth and marriage certificates, registration for temporary stay or leave, identification cards, and business registration, for example, for it is hard to meet all the concerned persons at the same time. It is most difficult to meet the chairman of the communal People's Committee, as he is often out for meetings.

The Keeping of 'Poor Household Certificate, Land Use Right Certificate' and the Exercise of Administrative Obligations

At present, some local governments rule that land use right certificates, poor household certificates, affixing of seals and the certification of papers shall not be done for households that fail to fulfill obligations to the State (for example, public labor obligations, or payment of communal funds). This rule causes a lot trouble if people want to take out a mortgaged loan with the land use right certificate, get a job out of the province, or register a marriage, for example.

Box X-18: People cannot get papers they requested for if they failed to fulfill their obligations

People and officials at village of Tan Minh, Gio Thanh, Gio Linh:

- Just about ten households in the village of Tan Minh have received land use right certificates. Certificates for the rest of the households (39 percent) are held back, as they have not fulfilled their obligations to the commune.
- Some weddings have been cancelled, as the communal government did not agree to register the marriage.
- There are ten-year-old children who have not received their birth certificates, as their parents failed to pay their obligations.

The implementation of enterprise law

Creating a level and fair legal environment for all types of enterprises to do business is the precondition for economic growth and income improvement of people of all strata, etc. (CPRGS, page 48). Analyzing obstacles and difficulties in the implementation of the Enterprise Law in Quang Tri is not the focus of this survey.

Rather, the survey concentrates on the impact of reform on the development of enterprises, creation of jobs, and sustainable poverty reduction.

The number of newly established enterprises rises sharply

In spite of many difficulties, the total number of enterprises has risen rapidly over the last few years, which is a signal of the improved investment environment and economic growth trend in Quang Tri.

Table X-1: The number of industrial production facilities in Quang Tri

	1995	1999	2000	2001	2002
1. Total	3,134	5,148	5,660	5,874	6,302
State owned	14	10	8	7	6
Collectively owned	4	2	2	1	1
Individual owner	3,107	5,122	5,632	5,839	6,263
Privately owned	9	13	17	26	31
Foreign invested	-	1	1	1	1
2. Percentage	100.00	100.00	100.00	100.00	100.00
State owned	0.45	0.19	0.14	0.12	0.10
Collectively owned	0.13	0.04	0.04	0.02	0.02
Individual owner	99.14	99.49	99.51	99.40	99.38
Privately owned	0.29	0.25	0.30	0.44	0.49
Foreign invested	0.00	0.02	0.02	0.02	0.02

Source: Statistical Yearbook, Quang Tri, 2002

The number of enterprises that have been established since the implementation of Enterprise Law should be closely examined. As noted by managers, the number of enterprises in Quang Tri rocketed at this time, especially private enterprises and limited liability companies.

Box X-19: Comment of high-ranking officials of provincial departments

High-ranking officials of provincial departments: Most of the newly established businesses are private enterprises. As of May 2003, there are 550 private enterprises, an increase of 350 enterprises against the figure available prior to the issuance of the Enterprise Law.

The Enterprise Law has created a favorable investment environment for enterprises by establishing a more relaxed playing field. This assessment has been confirmed by enterprises.

Box X-20: More favorable investment environment for enterprises

Comment of the director of a private enterprise in commune of Hai Son, Hai Lang: It is simple and fast to establish an enterprise (about 15 days). With the business license issued by the Planning and Investment Department, the enterprise seal given by the Public Security Department, and the tax code assigned by the Taxation Department, the enterprise could start its operations.

Preferential policies are recently issued to induce new enterprises in the area

Further to the State's policy of inducing domestic and foreign investment, Quang Tri has recently issued preferential investment policies, such as exemption or reduction of land rent, refund of 100% of corporate income tax in the first years, and exemption of fees for procedures processed by the PPC, for example.

Growing enterprises employ more labor

There is no official statistical figure of the number of employees that work at enterprises. Yet the number of employees has increased significantly over the last few years. Of the current 550 enterprises, however, 60 percent of such enterprises operate in the construction sector, 30 percent in the service sector, and 10 percent in the production sector (farm development, husbandry, and handicraft).

Box X-21: Construction is a sector where the poor have more job opportunities

High ranking official of the Investment and Planning Department: The poor have the opportunity to get a job in the construction sector, as it has a great demand for manual labor, which is commensurate with their competence. It is estimated that this sector employs about 5,000 to 6,000 laborers, who are mostly men.

The poor recognize the impact of the Enterprise Law, particularly as their children now have a chance to get a stable job right in the local area.

Box X-22: New enterprises help local people have a better life

Mr Hein, enterprise director: The Hai Son Company was established in 2002 and specializes in trading construction materials and services. Due to the nature of the business, it normally employs 40 manual workers; most of them are poor people in the commune. "One year into their employment here, the life of these people has improved; 70 percent of them have been able to build a house, buy a motorbike or bicycle, or pay for medical expenses".

Some difficulties in creating job for the poor

There are few chances to get a job at new businesses, especially for the poor.

Box X-23: Poor and ethnic people still have difficulties in finding jobs

Statistical figures show that, of the 550 operating enterprises, about 40 percent are located in the provincial town of Dong Ha. The Lao Bao Trading Zone comes next in terms of enterprise concentration. The rest of the enterprises are scattered in the remaining districts and townships. Non-farm job opportunities for the poor and ethnic people in districts such as Gio Linh, Sakrong, Hai Lang, Vinh Linh are therefore very limited. This explains why certain groups of people still look for jobs in other provinces.