

Public Policy  
Research  
and Training  
in Vietnam

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Asian Development Bank  
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Hanoi  
December 2005

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Publishing Permit/GPXB164-54/XB-QLXB  
dated 30/11/2005

Pre-press, Film, and Production by  
Kinh Bac Culture Joint-Stock Company, 16 Trung Liet, Hanoi, Vietnam ([kinhbac@fpt.vn](mailto:kinhbac@fpt.vn))

Cover Photograph by Toru Hashimoto.

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## Abbreviations

ADB	Asian Development Bank
ADBI	Asia Development Bank Institute
APEC	Asia Pacific Economic Cooperation
APPC	Asia Pacific Philanthropy Consortium
APSEG	Asia Pacific School of Economics and Government (Australia)
ASEAN	Association of South East Asian Nations
ASEAN-ISIS	ASEAN Institute of Strategic and International Studies
CICP	Cambodian Institute for Cooperation and Peace
CIEM	Central Institute for Economic Management (Vietnam)
CMTARD	College for Management Training in Agricultural and Rural Development (Vietnam)
CPS	Centre for Policy Studies (Hungary)
CSIS	Center for Strategic and International Studies (Indonesia)
DPP	Democratic Progressive Party (Taiwan)
DSI	Development Strategy Institute (Vietnam)
EPB	Economic Planning Board (Korea)
EU	European Union
FETP	Fulbright Economics Teaching Program (Vietnam)
GDN	Global Development Network
GSO	General Statistical Office (Vietnam)
HCMC	Ho Chi Minh City
HNPA	Ho Chi Minh National Political Academy (Vietnam)
HSPI	Health Strategy and Policy Institute (Vietnam)
IDRC	International Development Research Council
IFRI	Institut Francais des Relations Internationales
IKIM	Institut Kefahaman Islam Malaysia
ILSSA	Institute of Labor Science and Social Affairs (Vietnam)

*Public Policy Research and Training in Vietnam*

INGO	International Non-governmental Organization
IPSARD	Institute of Policy and Strategy for Agricultural and Rural Development (Vietnam)
IPSI	Industrial Policy and Strategy Institute (Vietnam)
ISEAS	Institute for South East Asian Studies (Singapore)
ISIS	Institute for Strategic and International Studies (Malaysia)
ISOS	Institute for State Organizational Sciences (Vietnam)
JCIE	Japan Center for International Exchange
JFPPT	Japan Fund for Public Policy Training
JIIA	Japan Institute of International Affairs
KCESRI	Korea Council of Economic and Social Research Institutes
KDI	Korea Development Institute
KERI	Korea Economic Research Institute
KIET	Korea Institute for Industrial Economics and Trade
KMT	Kuomintang Party (Taiwan)
LIPI	Lembaga Ilmu Pengetahuan Indonesia
MARD	Ministry of Agriculture and Rural Development (Vietnam)
MIER	Malaysian Institute for Economic Research
MISPA	Mobilisation de l'Information au Service des Politiques Agricoles (Vietnam)
MOF	Ministry of Finance (Vietnam)
MOFE	Ministry of Finance and Economy (Korea)
MOH	Ministry of Health (Vietnam)
MOHA	Ministry of Home Affairs (Vietnam)
MOI	Ministry of Industry (Vietnam)
MOLISA	Ministry of Labor, Invalids and Social Affairs (Vietnam)
MOST	Ministry of Science and Technology (Vietnam)
MPI	Ministry of Planning and Investment (Vietnam)
MPT	Ministry of Post and Telematics (Vietnam)
NAFOSTED	National Foundation of Science and Technology Development (Vietnam)
NAPA	National Academy of Public Administration (Vietnam)

*Public Policy Research and Training in Vietnam*

NEU	National Economics University (Vietnam)
NGO	Non-governmental Organization
NIESR	National Institute for Social and Economic Research (United Kingdom)
NIRA	National Institute for Research Advancement (Japan)
NIPTS	National Institute of Posts and Telematics Strategy (Vietnam)
NISTPASS	National Institute for Science and Technology Policy and Strategy Studies (Vietnam)
NORAD	Norwegian Agency for Development Cooperation
NRI	Nomura Research Institute (Japan)
OECD	Organisation for Economic Co-operation and Development
PASOS	Policy Association for an Open Society
PIDS	Philippine Institute of Development Studies
PPRI	Public Policy Research Institution
RAPID	Research and Policy in Development (United Kingdom)
S&T	Science and Technology
SIDA	Swedish International Development Agency
SIIA	Singapore Institute of International Affairs
SOEs	State-owned Enterprises
TDRI	Thailand Development Research Institute
TEI	Thailand Environment Institute
TIER	Taiwan Institute of Economic Research
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organisation
USAID	US Agency for International Development
VASS	Vietnamese Academy of Social Sciences
VAST	Vietnamese Academy of Science and Technology
VDF	Vietnam Development Forum
VERN	Vietnam Economic Research Network
WTO	World Trade Organization

# Foreword

Le Dinh Tien

Vice Minister

Ministry of Science & Technology of Vietnam

Vietnam is currently going through a period of economic transition and international integration - a process which is accompanied by changes in public administration and public policy, in order to meet new demands arising from this transition and international integration. In parallel with the bilateral and multilateral negotiations to join the World Trade Organization (WTO), Vietnam is reforming its legal system and policies in an effort to harmonize them with international regulations and agreements. This requires policymakers and their think-tanks from central to grassroots levels to acquire and apply new analytical methods.

In this transition, research in public policy plays a vital role in orienting strategy, identifying policy issues, collecting information and building scientific foundations to support policy formulation.

However, public policy research in Vietnam has so far not been able to contribute to this transition in the best possible way due to a number of factors; among them the lack of well-coordinated linkages between public policy research institutes and policy-making authorities, and the lack of coordination between public policy research institutes themselves as well as limited skills of research staff. In addition, much of the research done by those institutes is too theoretical and impractical, thereby limiting on-time applicability of research results to meet the demand of policymakers.

It is also worth mentioning the weak linkages between public policy research institutes and public policy training institutions.



These weak linkages not only prevent contributions from the training sector from reaching policymakers but also prevent the application of high-quality research in training programs. In fact, only a small number of research results are being used in training programs at all. Moreover, universities are not actively participating in research activities, particularly in public policy research. At the same time, public policy training lacks unified curricula and training methods, and formulation of training content is not demand-driven.

Challenges arising from the new socio-economic context in Vietnam require to reform and upgrade public policy research and training systems. This book, entitled "Public Policy Research and Training in Vietnam", collects selected papers presented at the Roundtable on "How to Strengthen Public Policy Research and Training in Vietnam". The Roundtable was organized by the Asian Development Bank Institute's Japan Fund for Public Policy Training (JFPPT), the National Institute for Science and Technology Policy and Strategy Studies (NISTPASS), Central Institute of Economic Management (CIEM) and Institute for Policy and Strategy of Agriculture and Rural Development (IPSARD) in Hanoi on 31 August 2005. The Roundtable has been one of the first efforts to review systematically capacity of and linkages among public policy research, training and policy-making institutions in Vietnam.

Papers presented by Vietnamese researchers at the Roundtable gave detailed descriptions and provided reliable information on linkages among public policy research, training and policy-making institutions in Vietnam. Papers by international researchers presented theoretical perspectives and empirical experiences on linkages between research and policy-making institutions in countries under the transition process similar to Vietnam. In particular, we may learn the successful lessons from Korea, which show how research-policy linkages may contribute to strengthen economic growth and industrialization.

This book is an excellent reference for policymakers, public policy research institutes and training institutions in Vietnam, all of which are involved in the process of reforming administrative system, building up capacity and strengthening research-policy linkages.

I hope this book will receive attention and feedback from policymakers, managers and the research communities in Vietnam and abroad.

# Foreword

Peter McCawley  
Dean  
Asian Development Bank Institute

This book is a report from a high-level roundtable conference on public policy issues held in Hanoi in August 2005. The conference was organized by the Japan Fund for Public Policy Training program (JFPPT) in cooperation with three eminent Vietnamese think tanks:

- the Central Institute for Economic Management;
- the National Institute for Science and Technology Policy and Strategy Studies; and
- the Institute of Agricultural Economics, since renamed the Institute of Policy and Strategy of Agricultural and Rural Development.

Research and training in public policy are crucial to support development in Vietnam. The modernization of Vietnam's economy and society and continuing integration with regional and international structures require sound public policies. Our hope is that this report will be a useful contribution to the ongoing process of reform of research and training in the area of public policy in Vietnam.

The roundtable on 'How to Strengthen Public Policy Research and Training in Vietnam' brought together over 100 senior government officials, researchers, and university representatives. Media observers, foreign diplomats and participants from international organizations also attended.

The Asian Development Bank Institute is naturally keen to assist research and training institutions across the Asia-Pacific region in their efforts to modernize their organizational structures and further improve the quality of their work. The Vietnam pilot program of the Japan Fund for Public Policy Training implemented by the ADB Institute since 2003 has proved to be a useful tool to this end.

This cooperation between Vietnamese think tanks and the ADB Institute underscores the fact that Vietnamese public policy institutions are aware of the international dimension of their work - they see the value of working together with foreign institutions for mutual exchange and benefit while remaining aware, of course, that the Vietnamese context is quite unique.

This publication aims to make a modest contribution to the discussion about these matters. The report contains studies by well-known Vietnamese and foreign experts. All of them are highly qualified observers of think tanks and current public policy developments as well as practitioners who work in think tanks and policy training institutions. Their contributions thus provide theoretical insights as well as practical advice on how to move ahead with the further modernization of public policy research and training in Vietnam.

One of the main messages conveyed by the contributions is that think tanks and training institutions need not only to modernize their internal procedures but that it is also vital to link up with other relevant institutions, both domestically and internationally.

Looking ahead, the JFPPT project is engaged in Vietnam not as a one-off initiative but is committed to Vietnam for the longer term. The project plans to continue working in a close and cooperative way with Vietnamese institutions as partners.

# Introduction

Toru Hashimoto  
Stefan Hell  
Sang-Woo Nam

The role of think tanks is probably most critical in transforming economies. The challenge of transition from a centrally planned to a market economy is huge. These countries have to introduce many new institutions required for the smooth functioning of a market economy, and learn how to formulate and implement a new set of socio-economic policies. Policymakers in these economies are often ill-prepared for this challenge since their education, training and experience are inappropriate for the tasks they face. think tanks in the broadly-defined public sector may play an important role helping policymakers to better meet the challenge.

Since the late 1980s when Vietnam adopted the *doi moi* policy, the country has been very successful in transforming its economy with the introduction of many new market institutions and the achievement of respectable economic growth and stability. This success has led to a substantial reduction in poverty and a rapid increase in general level of people's material well-being. These achievements are indeed remarkable given that few senior-level policymakers have been systematically educated or trained on the market economy. Even though younger people have been educated on the market economy, the quality of education has been rather poor and they are not well-prepared to

deal with increasingly complex policy issues facing the Vietnamese economy.

In this transformation process, Vietnamese think tanks seem to have played an important role in assisting lawmakers and policymakers with their policy-oriented research and public policy training and advice. Mostly located in a government ministry or agency, the think tanks have been tasked to provide practical assistance to address the impending agendas of the ministry and agency. They have been active in retraining their staff and undertaking research and training programs together with foreign experts and institutions, often with the financial support of external donors. In spite of this initial success, the Vietnamese think tanks suffer from various problems: lack of independence from the line ministries and agencies, poor cooperation among think tanks, inadequate capabilities of their staff and brain drain, insufficient budgetary support, and poor management.

## 1. Dominance of Ministerial Think Tanks in Vietnam

Surely, it costs resources to address some of these problems, and the government may not be ready for it given its priorities for resource allocation. However, there seem to be many other measures that can strengthen the capacities of think tanks for more effective policy research, training and advice. Some examples include institutional innovation for increased independence of think tanks as well as better coordination and cooperation among themselves and better selection of research/training agendas. These are actually the key concerns of this volume.

Currently, most policy-oriented research/training institutes are located in government ministries and agencies. As such, they lack independence in setting the agendas and suggesting policy directions, and they are constrained in constructive criticism of government policies. Furthermore, being preoccupied with accommodating the ministerial needs and concerns, these think tanks are likely to fail to foster broader perspectives beyond those of their ministries and agencies. Unfortunately, however, independence is often obtained at some cost. Independence might

mean that think tanks becoming less responsive to emerging policy issues and less involved in policymaking process. It may also mean that financial support of the government will become weaker and think tanks will have more difficulty in securing information and data for their research activity.

The types and functions of think tanks across countries, which are described in detail by Diane L. Stone in the following chapter, depend very much on some key factors of national environment. They include the stages of economic development, the characteristics of political institutions, and the availability of qualified researchers.<sup>1</sup> Given the current income level and the political regime, it is hardly surprising that the Vietnamese society cannot support many strong private think tanks including those of NGOs. Also, the Vietnamese political system and level of decentralization indicate that potential demand for policy research/training and advice is high from the legislative body and the local governments. However, the demand is largely not met due to the shortage qualified human resources. As the result, think tanks are mainly clustered under the executive body: ministries and agencies in Vietnam.

## 2. Changing Policy Environment

As the Vietnamese economy keeps growing, resulting in diverse concerns and aspirations of the people, and as it gets structurally more complicated and more globalized, policy-making will become increasingly interdisciplinary requiring more sophisticated analyses and much broader perspectives than before. Policy issues will increasingly have to be addressed on the basis of close consultation and coordination among many relevant ministries and agencies rather than single-handedly by any one ministry/agency. Short and medium-term socio-econom-

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<sup>1</sup> For the explanation of the variations in alternative policy advisory organizations across countries, see R. Kent Weaver and Paul B. Stares, "Guidance for Governance: An Overview," in R. Kent Weaver and Paul B. Stares, eds., *Guidance for Governance: Comparing Alternative Sources of Public Policy Advice*, Japan Center for International Exchange, 2001.

ic planning will also require more coordination across sectors for the consistency and credibility of the plans. These developments indicate that the current system of ministerial think tanks in Vietnam should be critically reviewed for improvement. The chapter by Nguyen Dinh Cung, Bui Van and Pham Hong Ha aims to contribute to such a critical assessment. Ministerial think tanks may be given more independence and/or conscious efforts may be made to foster a center of excellence as a strong comprehensive think tank outside of any ministerial control.

The center of excellence may logically be located under the planning ministry, which plays a critical role in medium-term resource allocation and has no major interest groups behind the ministry. However, the center is desired to have a substantial degree of independence from, or a loose affiliation with, the planning ministry. This may be difficult without the strong patronage and support of the nation's top leadership as well as distinguished capacity of policy analyses and advice on the part of the think tank. Adequate support from the government budget or the donor community that ensures decent salary, prestige and job security for the staff is likely to be instrumental in fostering a center of excellence.<sup>2</sup>

Vietnam may learn some lessons from the evolution of the Korean system of think tanks, which is presented in detail in the chapter by Jongryn Mo. Witnessing an essential role played by the think tank affiliated with the planning ministry (Korea Development Institute, KDI) since the early 1970s, other ministries also established research institutes under their control and

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<sup>2</sup> The Ministry and Planning and Investment (MPI), Vietnam's planning ministry, has two think tanks: the Development Strategy Institute (DSI) and the Central Institute for Economic Management (CIEM). DSI was established on the foundation of the two departments of the State Planning Committee (the predecessor of MPI): Department for Long-Term National Economic Planning and Department for Economic Zoning and Planning. DSI mainly focuses on socio-economic development strategy and master plans for the whole country and specific territorial areas. The major responsibilities of CIEM include economic laws and regulations, planning and management mechanisms, business environment, and economic reform. Given its mandates, CIEM has broad working relations with the Communist Party and the National Assembly as well as the business circle.

supervision in the 1980s. However, these ministerial think tanks lacked independence, were often abused to defend narrow ministerial interests, and had their research topics duplicated among different think tanks without any mechanisms to coordinate among themselves. As a way to deal with these problems, all the government think tanks were put under a National Research Council and a consolidated committee under the Prime Minister's Office in 1999. Line ministries no longer directly control these think tanks, even though they have a close working relation with one or more think tanks using the ministerial research fund as an incentive for maintaining such a relationship. This system also promotes stronger competition among think tanks.

### 3. Attributes of Effective Think Tanks

There seems to be little dispute that the core asset of a think tank is human resources. How to attract good people and motivate them to do their best at their tasks is the key to the success of a think tank. Usually the best people are 'tradables'; they easily leave to other places if they are not well treated - even by international standards - in terms of their compensation and working environment, including the relationship with the government and the style of managing the think tanks. Think tanks will have difficulty in attracting and keeping good people if they are under the tight control of ministries and agencies with bureaucratic working environment lacking the culture of open discussion among the fellows. Even though compensation may be far short of an international standard, it should be made up by merit-based compensation and strong sense of contribution to policymaking.

These conditions hardly seem to be satisfied in the Vietnamese think tanks. Qualified human resources are in short supply to start with, and brain drain is prevalent. Subject to the ministerial pay schedule, compensation is low and rigid. As part of a ministry, research agendas are dictated by the ministry and independent voices are not tolerated on specific policy directions. Even though think tanks are heavily relied upon for policy analyses, they are not always major actors in high-level decision-making processes. Sometimes, think tanks have difficulty



in accessing necessary information and data from the departments of their own and other ministries. Even under the system of ministerial think tanks, it seems imperative that they be given more independence and flexibility - in terms of budget, recruitment and compensation of staff, organizational structure, setting research agendas, international cooperation, etc. Also critical is actively involving the think tanks in major policymaking with the full support of information, data and other administrative matters.

#### 4. Public Policy Training

Public policy training is particularly urgent for officials in the economic ministries and agencies. This is because *doi moi* is essentially economic management reform and the challenge is mainly to foster markets and ensure their smooth functioning. The chapter by Nguyen Dinh Tai provides an in-depth analysis of the situation. Vietnam should utilize every opportunity for the training of its officials: sending as many as possible abroad for short and long-term training and actively joining various donor-financed training in the country. However, given the huge training needs, substantial improvements seem to be needed in the backbone of civil service training: training at each ministry and agency for their own staff as well as general training at the National Academy of Public Administration (NAPA). Training within a ministry/agency seems to be mainly focused on specific skills or relevant new laws and regulations, while training at NAPA is mostly concerned with administrative matters rather than policy issues.

As a more serious effort of (re)training the officials in the economic ministries and agencies, it may be worth considering to establish a consolidated Economics Training Institute. As mentioned earlier, it is not desirable to train officials by each ministry in their narrow ministerial perspectives. Thanks to the economies of scale, the consolidated Institute should be able to give higher quality training with more careful design and ex post evaluation of training courses. It may provide courses for deeper under-

standing of economics and major public policy issues as well as on common analytical tools required for officials. The consolidated Economics Training Institute can better ensure inter-ministerial coordination and will be better able to mobilize best talents as training resources across different ministries and agencies as well as academic institutions. The creation of the consolidated Institute will also facilitate coordination among international donors for more systematic support for training programs currently provided on a rather ad hoc basis.<sup>3</sup>

## 5. Better Networking

With or without a center of excellence, it is essential to have good networking among think tanks. This point is presented in a systematic approach by Dang Kim Son in the concluding chapter of this volume. There are at least four merits expected from the networking of think tanks. First is information sharing - information about the activities of other think tanks will help avoid any duplication of activities and encourage collaboration among think tanks. Second, the collaboration allows them to mitigate the constraints of a limited human resource pool in tackling major policy challenges facing the economy. Third, better information sharing and more collaborative work enable the involved think tanks to have better overall perspectives concerning specific policy issues, which help them overcome narrow ministerial interests and achieve inter-ministerial coordination and policy consistency. Lastly, networking among local think tanks is likely to lead to better coordination, and a parallel network, among international donors for more effective support for

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<sup>3</sup> Of course, training on required skills or changes in laws and regulations relevant for a specific ministry/agency or department may continue to be provided internally. The consolidated Economics Training Institute may be placed under the Prime Minister's Office or Ministry of Home Affairs like NAPA. The Institute may give pre-civil service training to those who are to start working for an economic ministry or agency. Also, officials from economic ministries and agencies coming to NAPA for training may be obliged to go through the training at the Institute as well.

research and training activities.

In Vietnam, there seems to be little formal networking among think tanks - among research institutes, among training institutions, and between research and training institutes. In spite of many merits of networking, it may not be an easy task without a strong leadership initiative. The constraints may include rivalry among ministries and institutions, reluctance to share information, desire for operational autonomy, and lack of incentives for collaboration. For public policy training, the above-mentioned consolidated Economics Training Institute may go a long way towards collaboration among ministerial and academic institutions. For policy research, there are several options for promoting cooperation among institutions: invitation to an informal and flexible network for information sharing and collaboration; encouraging joint work through financial incentives without a formal network; or formation of an official network for collaboration and coordination.

It is encouraging that a group of policy and strategy research institutes voluntarily joined together in June 2005 to adopt a memorandum of understanding on cooperation among them. The nine participating research institutes agreed on specific collaborative efforts including: exchange of information and data and cross-participation in, and joint organization or development of, seminars and forums as well as other research and training activities.<sup>4</sup> In order to make the cooperation effective,

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<sup>4</sup> The nine participating institutes include: Central Institute for Economic Management (CIEM, Ministry of Planning and Investment), Health Strategy and Policy Institute (HSPI, Ministry of Health), National Institute of Posts and Telematics Strategy (NIPTS, Ministry of Posts and Telematics), National Institute for Science and Technology Policy and Strategy Studies (NISTPASS, Ministry of Science and Technology), Institute of Policy and Strategy for Agricultural and Rural Development (IPSARD, Ministry of Agriculture and Rural Development), Development Strategy Institute (DSI, Ministry of Planning and Investment), Institute of Labor Science and Social Affairs (ILSSA, Ministry of Labor, Invalids and Social Affairs), Industrial Policy and Strategy Institute (IPSI, Ministry of Industry), and Institute for State Organizational Sciences (ISOS, Ministry of Home Affairs).

the participating institutes further agreed to set up an Executive Board, office of the Secretariat, nomination of a contact person at each institute, and development of a joint website, forum and a newsletter.

The Japan Fund for Public Policy Training, an initiative under the Asian Development Bank Institute, supports these developments. Together with three strong local counterparts - NISTPASS, CIEM and IPSARD - a roundtable was organized in August 2005 in Hanoi, at which over 100 experts assembled to discuss ways of strengthening public policy research and training in Vietnam. Participants included academics, researchers, policymakers, members of the diplomatic corps and international organizations, media representatives and business persons.

This volume is a result of the roundtable. It assembles contributions by leading Vietnamese and international experts and practitioners in the field. We hope it can make a modest but useful contribution to the ongoing modernization of public policy research and training in Vietnam.

In particular, we hope this volume will provide useful and comprehensive information on the policy research and training situation in Vietnam to both the concerned domestic audience and to international partners. For this reason, we have decided to make the material available in Vietnamese and English language. We also hope that the contributions in this volume will be thought provoking and can contribute to the next steps of modernizing institutions, renovating curricula and strengthening networking and cooperation. Ideally, some elements, strategies and ways forward presented in this volume will resonate in future policy decisions in the field of public policy research and training.

# Think Tanks and Policy Advice in Countries in Transition

Diane L. Stone

Think tanks are often viewed as a critical link between the elaboration of policies and their implementation. Think tanks represent a vital component of successes of policies directed towards harmonization of existing practices with contemporary paradigms of good governance and economic management. As such, development agencies - such as the Asian Development Bank Institute (ADBI) - regard think tanks as critical organizations for assisting governments in economic transition.

This study is structured into four parts: The first section provides an overview of think tank development over the last century around the world. Asian think tank evolution is assessed in this international context. The second part assesses the social and political environment for the provision of policy analysis and expertise, and the manner in which national institutional settings shape the character of a think tank industry as well as the prospects for policy influence. The discussion focuses primarily on think tanks in Southeast Asia, with some reference to Northeast Asian contexts. The third section assesses how the forces of globalization and regionalization have brought new pressures for national policy communities and promoted the transnationalization of think tank activity. Globalization has implications for the future effectiveness of Vietnamese think tanks. The fourth section returns to questions as to how think

tanks manage their organizations for policy relevance. Some questions regarding 'best international practices' of think tank management and approaches to 'bridging research and policy' are addressed.

In general, the institutional development of Vietnamese policy analysis has been state directed. This path of development is one that is increasingly out of step with international standards for genuine policy research and advice (see the studies by Boucher et al, 2004; Braun, 2004 et al; Stone & Denham 2004). The prospect for the transfer of western style independent think tanks to Vietnam is limited given that the civil society foundations are not present. Instead, think tanks are likely to remain in the orbit of the state albeit with increasing prompting from international donors for organizational reforms and policy engagement.

## 1. 'Think Tanks': Definitions, Development and Diversification

### *1.1. Definitions*

The word 'think tank' stems from the RAND Corporation, which operated as a closed and secure environment for US strategic thinking after World War II. The term entered popular usage in the 1960s to describe a group of specialists who undertake intensive study of important policy issues. The United Nations Development Programme defines think tanks as follows:

"organizations engaged on a regular basis in research and advocacy on any matter related to public policy. They are the bridge between knowledge and power in modern democracies" (UNDP, 2003: 6)

The idea of think tanks connecting researchers and decision makers resonates throughout the mission statements of numerous organizations. For instance, in Singapore, the chairman of the board of governors of the Institute of Policy Studies argues that "IPS must act as a bridge - to be close to, but not part of the government".<sup>1</sup> Similarly, the Tokyo-based National Institute of

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<sup>1</sup> Hsuan Owyang, <http://www.istana.gov.sg/sp-030719.html>

Research Advancement (NIRA) which produces a world survey of think tanks<sup>2</sup> argues that the key function of think tanks is: "to bridge policy ideas and knowledge with other researchers and institutions, and sometimes with people having different backgrounds or ideologies".

The Anglo-American tradition regards think tanks as relatively autonomous organizations with separate legal identity that engage in the analysis of policy issues independently of government, political parties and pressure groups. Elsewhere, the think tank tradition can be different (Stone & Denham, 2004). In Asian countries such as Japan, South Korea and Taiwan think tanks are often found inside corporations. However, Chinese think tanks are government-sponsored and their scholars often work in patron-client relations with political leaders. Many institutes in South East Asia are semi-independent and often have close interaction with government, or with individual political figures.

The notion that a think tank requires independence from the state in order to be 'free-thinking' is an Anglo-American norm that does not translate well into other political cultures. Increasingly, therefore, 'think tank' is conceived in terms of a policy research function and a set of analytic or policy advisory practices, rather than a specific legal organizational structure as a non-governmental, non-partisan or independent civil society entity.

### *1.2. A Century of Think Tank Development*

Prior to World War Two, think tanks were predominantly an Anglo-American phenomenon. Since then they have spread throughout the world. Around a thousand operate in the USA. European liberal democracies such as the United Kingdom and Germany host at least 100 each. Most other countries have less than fifty think tanks. The world-wide total lies in the vicinity of 3,000 (McGann & Weaver, 2000). Overall think tanks have seen strong growth, but others have shrunk or closed as a consequence of financial insecurity, inadequate leadership or, occasionally, closure by state authorities.

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2 NIRA's Directory of Think Tanks: <http://www.nira.go.jp/ice/nwdtt/index.html>

At least four waves can be discerned in the pattern of think tank growth around the world. The first generation prior to world war two, the second wave in the OECD countries, the world-wide think tank boom from the late 1970s, and the trans-nationalization of think tanks in the new millennium.

The first stage of think tank development until World War Two saw a number of institutes established in Western Europe or the United States. First-generation think tanks were responses to practical problems spawned by urbanization, industrialization and economic growth early in the 20th century. Well-known American institutes include the Brookings Institution and the Russell Sage Foundation. In the UK, they include the Fabian Society, the National Institute for Social and Economic Research (NIESR) and Chatham House. The period after World War Two saw a more extensive second wave of development throughout Europe but such growth was largely limited to liberal democracies. In the USA, the New Deal and the Great Society period were a boom time for ideational actors; the most notable being the Urban Institute. The period was marked by the proliferation of foreign policy institutes, centers for the study of security and development studies institutes, in an era defined by the Cold War, superpower rivalries and the emergence of Third World issues.

Since the 1970s, there has been a third wave with the proliferation of think tanks across the globe. The heightened activity of think tanks is related to periods of economic and political instability or fundamental change such as the demise of the Soviet Union and democratization in Latin America and parts of Asia. The rise of the so-called 'New Right' think tanks also illustrates how policy uncertainties provide a window of opportunity for these institutes to help execute the paradigm shift away from Keynesian policy making to what is regarded in other parts of the world as elements of the Washington Consensus; that is, privatization, financial liberalization and deregulation.

As would be expected, western-style independent think tanks in Russia, Central and Eastern Europe appeared only after 1989. Examples include the Gdansk Institute and the Center for Social and Economic Research, both in Poland, the Market Institute in



Lithuania, the Adam Smith Institute in Warsaw and the Economic Institute in Hungary. As relatively young organizations, with limited resources, these social and economic policy institutes are often overstretched in their policy focus on the problems of transition (Quigley 1997: 86-87).

Some analysts are now arguing that there is a fourth wave. This phase is qualitatively different in that it is not marked by the spread of think tank types of organization. Instead, this phase is characterized by new modes of interaction that are propelled by the forces of globalization and regionalization (see section 3).

### *1.3. Diversification and Specialization*

Today, the think tank industry is very diverse. Many hybrid forms of think tanks have emerged. They vary considerably in size, structure, policy ambit and political significance. Some organizations at least aspire to function on a 'non-partisan' or 'non-ideological' basis and claim to adopt a 'scientific' or technical approach to social and economic problems. These tend to be the older mainstream institutes. In Asia they include the Thailand Development Research Institute (TDRI)<sup>3</sup> or the Korea Development Institute (KDI)<sup>4</sup>. Some think tanks are 'academic' in style, focused on research, geared to university interests and in building the knowledge base of society. Other organizations are overtly partisan or ideologically motivated. Many institutes are routinely engaged in advocacy and the marketing of ideas whether in simplified policy relevant form or in sound bites for the media. This trend is most apparent in Europe and North America but neo-liberal bodies like the Atlas Foundation are sponsoring the spread of free market economic institutes into countries such as Vietnam.<sup>5</sup>

Specialization is a more contemporary development with environmental think tanks (e.g. the Thailand Environment In-

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3 TDRI: <http://www.info.tdri.or.th/>

4 KDI: [http://www.kdi.re.kr/kdi\\_eng/main.jsp](http://www.kdi.re.kr/kdi_eng/main.jsp)

5 [http://www.atlasusa.org/highlight\\_archive/2004/fall12004/fall%202004.1.html](http://www.atlasusa.org/highlight_archive/2004/fall12004/fall%202004.1.html)

stitute)<sup>6</sup>, economic policy think tanks (e.g. the Malaysian Institute for Economic Research)<sup>7</sup> or regionally focused think tanks such as the Institute for South East Asian Studies (ISEAS)<sup>8</sup> in Singapore. Technological advancements have also seen the rise of the 'virtual tank'. However, it is in those nations with strong civil societies and pluralistic political cultures that think tank diversification and specialization is most apparent. Yet, the adversarial and ideological style of the American think tank industry has been fuelled by a wealthy philanthropic sector creating a 'battle of ideas' that some regard as a negative feature of pluralism.

There is no 'international benchmark' for how many think tanks are necessary for a country, how large they should be or how they should cooperate amongst themselves or with other institutions such as universities. Nevertheless, it is apparent that the most well-known think tanks in the world tend to be the larger mature institutes with stable sources of funding that secure a resident research staff (usually 20 or more researchers). There are at least five types of think tanks:

1. Independent civil society think tanks established as non-profit organizations;
2. Policy research institutes located in or affiliated with a university;
3. Governmentally created or state sponsored think tanks;
4. Corporate created or business affiliated think tanks;
5. Political party (or candidate) think tanks.

A broad brush claim is that civil society think tanks tend to be smaller than state sponsored or corporate think tanks as they are more dependent on philanthropy and contract research. University-based think tanks are also often smaller, partly be-

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6 TEI: <http://www.tei.or.th/>

7 MIER: <http://www.mier.org.my/>

8 ISEAS: <http://www.iseas.edu.sg/>

cause they can draw upon expertise in other parts of the university. However, for reasons outlined in Section 2, there are a host of legal, political and economic reasons peculiar to the history and institutional make-up of a nation as to why there is no one best model or trajectory for think tank development.

#### *1.4. The 'Asian' Think Tank Story*

Just as it is a conundrum to define 'Asia' so it is the case to seek an 'Asian think tank tradition'. Accordingly, this analysis does not intend to uncover the 'general' pattern of think tank development in Asia; it would be an erroneous exercise. Nevertheless, there are notable differences in the evolutionary trajectory of think tanks in Asia from experience in North America and Europe.

Think tanks emerged in a number of Asian countries in the post-World War Two era. This includes well-known organizations such as the Japan Institute of International Affairs (established 1959)<sup>9</sup> or the Singaporean Institute of International Affairs (SIIA, 1962)<sup>10</sup>. A number of institutes created in the 1960s and 1970s were modeled after the Royal Institute of International Affairs in the UK or American think tanks (Sandhu, 1991: 3), for example, SIIA, ISEAS, and the Center for Strategic and International Studies (CSIS)<sup>11</sup> in Jakarta. During the 1990s, there has been a conscious effort to draw upon the American tradition of think tanks. The Ford Foundation provided core support for the establishment of TDRi in Thailand. During the 1990s, some entrepreneurs sought to export the US model and modify it to suit the Japanese cultural and institutional context (see Telgarsky & Ueno, 1996: 3-4).

The number of think tanks in Southeast Asian countries is small but growing. The population of Northeast Asian institutes is greater. With a few exceptions, the first Asian think tanks were not established until the 1960s, while the boom in Asian

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9 JIIA: <http://www.jiia.or.jp/>

10 SIIA: <http://www.siiainline.org/>

11 CSIS: <http://www.csis.or.id/>

think tank numbers started in the 1990s. This is a later frame of development than in the West where the proliferation was experienced from the 1960s. Consequently, the degree of think tank diversity and specialization is less pronounced.

In most Southeast Asian countries, the first generation think tanks were elite, establishment bodies. Often they were set up directly within government, for example, LIPI in Indonesia.<sup>12</sup> The Philippine Institute of Development Studies (PIDS) is another economic think tank established by government decree in 1977 a non-stock, nonprofit government corporation.<sup>13</sup> In other words, the first generation of institutes and their directors were closely tied to the state. Their primary purpose was to provide information and act as a sounding board for government. Think tanks lacked independence from the state, to the extent that some observers claim that these bodies are 'state-directed' (Jayasuriya, 1994). Their importance to the state lies in their capacity to amplify messages that come from the top down to the rest of society. As two observers have stated, Asian think tanks tend to be "regime enhancing" rather than "regime critical" (Yamamoto & Hubbard, 1995: 45).

### *1.5. Vietnam in an International Context*

In some degree, the Vietnamese situation parallels the experiences of other socialist systems. Institutes were totally state supported, firmly entrenched in the bureaucratic structure and designed to provide intellectual and analytic support to the state. Broadly speaking, the Soviet model (replicated with local variations through Central and Eastern Europe) constructed three different levels of research institutes overseen by communist party structures. First, those under the tutelage of the Academies of Science were afforded the greatest degree of intellectual autonomy. Second, there were institutes attached to particular ministries, albeit exercising little influence over the policy process. Third, there were institutes tied to the Soviet Communist Party

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12 Lembaga Ilmu Pengetahuan Indonesia: <http://www.lipi.go.id/>

13 PIDS: <http://www.pids.gov.ph/>

(CPSU) dealing with broader ideological and political questions. In all three types, ideological constraints severely restricted the spectrum of policy analysis while censorship restricted the research agenda. There was only one 'client' for research; the monopolistic state. Opportunities for substantive policy impact could be dependent on the political patronage of a leading political figure. On the other hand, conservative opposition to 'innovative thinking' could lead to the emasculation of an institute, or the political ostracism of individual *instituteniki*. Greatest intellectual freedom was perhaps to be found in Hungary and least so in the German Democratic Republic. *Glasnost*, *perestroika* and the *novoe politicheskoe mishlenie* set in play values and norms that were articulated by reformist think tanks and which contributed to the internal fracturing of the politico-ideological complex (for a full discussion see Sandle, 2004).

The collapse of the Soviet Union has had dramatic implications for the state sponsored policy research conglomerate. In stark terms, the state sector has withered. There has been a hemorrhage of talented researchers into the new private sector (or alternative employment) and at the same time, massive cut-backs in funding for the state institutions in deteriorating economic conditions with a concomitant deterioration in status for researchers. There has also been 'privatization' of some former state research institutions or 'spin-off' institutes created from the old bodies. The monopoly of expertise has given away to increased competition and fragmentation.

Western-style think tanks emerged in large numbers and many have prospered. The challenges of transition to build viable economic and political systems in the wake of communism and the increased complexity of governance created real opportunities for young policy entrepreneurs in the new think tanks. There are, however, serious questions of sustainability and a culture of dependency on foreign funds, made all the more apparent when donors turned their attention to the Middle East and the war on terrorism after 9/11. Too quickly western analysts have equated the rapid development of independent think tanks with teleological assumptions of 'transition' towards democratic institutions, pluralism, healthy civil societies, market competition,

liberalism, privatization and consumerism. Instead, the communist legacy persists in the organizational structures, values and research ethos of old institutes alongside the new transition think tanks.

By contrast, in the People's Republic of China, the Academies of Sciences have been more resilient, due largely to the continuing grip on power of the Chinese Communist Party. Chinese think tanks maintain close patron-client relations with political leaders and operate within a closed policy context. Composed of 'establishment intellectuals' who help shape the legitimacy of political authority, Chinese think tanks:

...have no intention of challenging or replacing the regime, but want to maintain the existing structures of political authority by persuading the state to change itself and thus help the political leadership overcome its difficulties (Shai, 2004: 143).

Furthermore, the emergence of societally-based think tanks has been very limited. The continuing strong top-down political control of the party-state has precluded the development (and impact) of independent policy research.

Are there any lessons from Soviet and Chinese experience for Vietnam? The analytical weakness of the Soviet bureaucracy as a result of practices that rewarded loyalty and obedience, conservatism and conformity forced the leadership to solicit expertise from reform-minded institutes and independent experts. Rapid industrialization, urbanization and resultant policy problems, alongside the pressures of globalization, might prompt Vietnamese leaders to look outside the state for policy advice should in-house policy analysis be deemed inadequate or irrelevant. However, if Chinese experience provides a guide, there is unlikely to be a flowering of Western style policy institutes or a political culture of critique developing in the next decade.

If Vietnamese political leaders were to look for lessons in the mode of operation of Southeast Asian think tanks, then it would be to cultivate an 'arms length' and more independent relationship with the state. The mechanisms for achieving this outcome - such as corporatization - would entail a difficult adjustment.

The alternative would be to sponsor autonomous new institutes composed of 'establishment intellectuals'.

## 2. The Socio-Political Environment for Policy Research Institutions

The proliferation of think tanks worldwide can be explained as a response to increasing demand for policy research. Much of this demand could be said to originate within government or ruling parties. Bureaucracies have been unable to expand sufficiently to develop the necessary analytical base for decision-makers. Alternatively, civil servants do not have the skills or training or adequate resources. Indeed, a certain form of expertise may be required only on an ad hoc basis or only for a few years. Think tanks can be used to fill some of the gaps. As Wu Rong-i, a president of TIER in Taiwan<sup>14</sup> noted, "government needs good advice to help solve problems, but it can't afford to hire hordes of experts in different fields. Think tanks are an efficient and affordable solution" (Hwang, 1996: 19).

However, while the utility of these organizations is frequently recognized, there is often reluctance for governments to pay fully for it. Increasingly, international organizations and international NGOs advocating the utility of enhanced capacity for policy analysis for contemporary governance and/or democratization have provided development assistance.

The uneven spread of think tank development across political systems appears to be a consequence of factors such as the extent of foundation support, legal structures, the political situation, civil society development, and the tax environment. However, the character of demand helps to explain why *different kinds* of think tanks have emerged throughout Asia. For example, in Malaysia and Indonesia the Islamic tradition and revival has led to a demand for an Islamic perspective on many policy issues. The following factors are outlined in brief to indicate how context shapes prospects for the development of think tanks as well as the routes for policy influence.

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<sup>14</sup> Taiwan Institute of Economic Research: <http://www.tier.org.tw/english.htm>

*The political architecture and regime type:* The structures of political systems in Asia vary considerably in their institutional arrangements and political culture. However, it does not appear that federal systems such as can be found in Malaysia (or in Australia) necessarily provide more opportunities for the establishment of think tanks than the unitary systems such as Singapore, Japan or Brunei. The differences between presidential and parliamentary cultures do not appear to present significant differences in the opportunities. Centralization of policy making and political functions and concentration of power is a strong feature of governments in the region.

*Bureaucratic structures* and styles differ markedly among all countries. In most of the countries discussed here, bureaucracies are very strong and often retain a monopoly on policy advice. The strength of bureaucracies has implications for the structure and operation of think tanks. It is not unusual for think tanks to be created by governments as an extra-bureaucratic arm of government. This is the case for both the Institute for Strategic and International Studies (ISIS)<sup>15</sup> and Institut Kefahaman Islam Malaysia (IKIM)<sup>16</sup> in Malaysia, although both are constituted as autonomous organizations not dissimilar to PIDS. In short, most Southeast Asian think tanks have some form of bureaucratic entrée or official patronage.

*Democratization.* Opportunities for genuine political liberalization and democratic reform are apparent but nonetheless, have been inhibited by a number of factors specific to each Southeast Asian country. In Indonesia, for example, important elements of the bourgeoisie are Chinese (as in Malaysia) and have been proscribed from playing a prominent political role in the interests of ethnic stability. Additionally, an interventionist state is still largely necessary for creating conditions for profitable capital accumulation. Thailand is often portrayed as an example of the forces of democratization, particularly the overthrow of the Suchinda regime in 1994. Rather than any liberalization or democratization in a representative sense, what has

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15 ISIS: <http://www.isis.org.my/>

16 IKIM: <http://www.ikim.gov.my/>



emerged is a system of electoralism or parliamentarism as an institutional framework for contending groups of businessmen, notables and political entrepreneurs (Robison, 1995: 18). While the political regimes of Southeast Asia are changing and incorporating democratic features, the military and bureaucratic strata of these states are responding to new social forces - growing middle classes, new sectors of capital power, NGOs - it does not entail that these forces will lead to liberal democracy. Instead, democratization serves the purposes of elite transition and is a state-led process rather than one dependent on the strength of civil society or the middle classes.

*Civil society development* is a recent dynamic in a number of Asian countries. This dynamic is unlike the one with which Western liberal democrats are familiar as leading to pluralistic societies of competitive groups communicating their preferences through fair and free elections, an independent media and political activism. Rather, the processes of change remain illiberal in many societies, as evinced by the internal security act in Malaysia, the 'soft authoritarianism' of Singapore, etc. The boundaries between the state, the market and civil society are blurred to such an extent that it is difficult for interests to develop autonomously within civil society. Civil society is a domain where the state intervenes and manages. It is more likely to be the case that think tanks, and NGOs in general, are organized and funded by the state. Rather than a confrontational relationship, NGOs tend to work in partnership with the state.

*Laws regarding non-governmental or non-profit organizations* can often be very restrictive. In parts of Asia, the rights of citizens to organize, lobby and protest - such as by contributing to the establishment of an alternative think tanks - cannot be taken for granted. Such organizations where they exist often cannot afford to challenge state prerogatives. Indeed, it can be very difficult for new organizations to acquire credibility and recognition in societies where political subservience is ingrained or where oppositional bodies are viewed with hostility. In Singapore, the Societies Act of 1967 is seen by some outside observers as instrument for "blunting political opposition" and challenges to the authority of the state (Rodan, 1996: 100).

*Political parties* and party competition often do not have as long a tradition in Asia as in Europe or North America. Indeed, some governments of the region have adopted repressive tactics to prevent the emergence of oppositionary political parties. In Indonesia, until recent years, the alternative parties were managed and restricted by the authoritarian regime under Suharto to such an extent that they were not permitted to be active other than around election time. Consequently, there were neither the same opportunities for think tanks to interact with political parties in the same way that many of their Western counterparts do, nor sufficient demand from these emasculated parties to generate partisan institutes.

*Philanthropy:* The role of business, community foundations and private benefactors in providing financial and other resources is crucial in many countries. Private think tanks cannot survive on project income alone but require grants and gifts that will help promote the longevity of the organization. Corporate philanthropy has grown within the region but little information is as yet available.<sup>17</sup> Corporate philanthropy in Japan such as through the One Percent Club and the Council for Better Corporate Citizenship (both at the initiative of the Keidanren) has been particularly noticeable and partly the consequence of Japanese direct investment in other countries (Yamamoto & Hubbard, 1995: 51).

*Business independence and interest representation:* The strength of the state and/or the character of state-business relations can shape the demand for think tank services and products. In the case of Hong Kong because of the state-embedded nature of business interests, the need for establishment of independent business-funded think tanks has been dampened. By contrast, in Taiwan, internal competition among rival factions and forces within the KMT state, and later on competition between the KMT and DPP camps - intermingling with their respective business supporters - helped create and environment for the emergence of think tanks.

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17 Asia Pacific Philanthropy Consortium (APPC): <http://www.asianphilanthropy.org/index.html>

In Malaysia, MIER is the most business-oriented think tank. It actively provides information for business and Bank Negara is its prime benefactor. It responds to requests from business to organize forums for closed policy discussion. At times, it operates similar to a consultancy. Think tanks in a number of the Northeast Asian countries have been useful in providing analysis on foreign markets for companies seeking to enter new markets or expand their operations overseas. In general, however, corporate creation of think tanks and consumption of their products is less pronounced in Southeast Asia compared to Northeast Asia. There is a closer relationship with government, bureaucracy or political leaders than with the corporate sector.

*Regime support and legitimization:* The intelligentsia is an important source of legitimization for many regimes of the region. They provide theoretical justification for government policies, a necessary component in the legitimization process. Intellectuals and experts are required to give substance and coherence to the ideas articulated by political leaders. Institutes act as a government research centre where politicians and bureaucrats rely upon it for reports, briefings and drafting speeches. As a consequence, the fortunes of an institute can be dependent on the continuing grip on power of existing leaders. This is especially the case in Malaysia and Indonesia where a number of think tanks have been closely identified with certain regimes or political figures.

*Policy training needs of the state:* Universities with strong disciplinary foundations are often not well structured to provide multi-disciplinary degrees in the policy sciences and there can sometimes be academic resistance to applied or vocational studies. University-based think tanks are well placed to provide degree courses. Other think tanks can provide short term executive courses for civil servants in methodology, ethics or latest industry standards. The Ho Chi Minh National Political Academy (HNPA) of the Vietnamese Communist Party and the Asia Pacific School of Economics and Government (APSEG)<sup>18</sup> in Australia joined forces to conduct a project on public policy

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18 APSEG: <http://apseg.anu.edu.au/default.php>

research and teaching. ADBI has similar aspirations with the Japan Fund for Public Policy Training. More generally, the Singaporean government policy of establishing the city-state as a 'global education hub' is highly indicative of regional competitive pressures to create 'knowledge based economies' (Olds, 2005) and, I would add, 'evidence based policy making'.

*The symbolic function of think tanks:* The growth of a think tank community also performs a symbolic role representing national advancement in political, economic and educational development. In the words of one British think tank director, think tanks are "an essential attribute of an advanced society with liberal/democratic aspirations" (Chipman, 1987: 5). They serve other symbolic roles. IKIM in Malaysia is a powerful symbol of the Mahathir Government's commitment to Islamic values and principles. IKIM was government sponsored to promote within Malaysia and project internationally a moderate and tolerant form of Islam and an alternative to Islamic fundamentalism. ISEAS, established in 1968 in a relatively hostile environment for the young Singaporean nation, played an important role signifying not "a threat oriented think tank but a respected research institution 'in tune with the region'" (Reid, 2003: 10).

*International demand and funding:* Bilateral aid agencies such as USAID and NORAD, international organizations such as the World Bank and UNDP, and philanthropic foundations such as Ford Foundation and Konrad Adenauer Stiftung, have taken great interest in think tanks over the past decade. They support think tanks with research funding for the country-specific analyses they need. However, think tanks are also regarded as vehicles for capacity building for policy analysis. ADBI is not unlike other international organizations, the experts and official staff of which require like-minded counterparts incountry with whom they can effectively interact.

Indeed, the leaders of economically powerful nations of Asia sometimes face the exhortations of Westerners that it is their 'duty' in the post Cold War era of multi-polarity to establish non-governmental policy research institutions to address significant international issues. Robert McNamara's pronouncements on the absence of an independent think tank sector in Japan are exemplary.

Japan needs to create and nurture a cadre of researchers and nonprofit organizations that will focus on ... global problems ... (and) should be prepared to contribute in this way ... as a Great Power with enormous economic and technological resources it has a duty to do so (1996: 142).

Such statements are also illustrative of growing global pressures upon think tanks.

### 3. Globalization and the Transnationalization of Think Tanks

It is clear that think tanks have been affected by globalization. For one thing, the process has transformed their research agendas. Institutes have been pushed to look beyond primarily national matters to address global issues and trans-border policy problems concerning the environment, security, trade, refugees and human rights. In tandem with the globalization of research agendas has been the global dissemination of think tank research via the Internet. Many think tank researchers have been important commentators on globalization. As noted by one Vice President of the World Bank, think tanks play an important role in interpreting legal, financial and administrative codes of the international governance architecture. He states:

WTO rules and regulations are, of course, complex. So the first thing is to understand the rules and the regulations; as I have seen, the government and think-tanks in Vietnam have put a lot of efforts into understanding these. But you need to understand how they impact the Vietnamese economy too: what sector will benefit, what sector will be opened to competitions. (Ian Goldin, Saigon Times, 19th November 2003)<sup>19</sup>

For Vietnam, this means scaling up capacity in key ministries of trade and finance not only in economic policy analysis but also in international law.

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<sup>19</sup> [http://www.vietnamtrade.org/news\\_archive.cfm?pubid=8E04DEC5-7B72-47D0-9462-D605031153B0](http://www.vietnamtrade.org/news_archive.cfm?pubid=8E04DEC5-7B72-47D0-9462-D605031153B0)

Regionalization could be a stronger dynamic than globalization. In regional forums, think tanks target regional groupings such as Asia Pacific Economic Cooperation (APEC) or Mercosur. The European Union (EU) clearly acts as a policy magnet for think tanks (Ullrich, 2004). The policy challenges of transition have prompted a proliferation of institutes in Central and Eastern Europe necessitating formation of regional networks by UNDP and the Open Society Institute. A more recent dynamic relates to global cities and the manner in which rapid industrialization and urbanization have created 'micro-regional' demand for policy research. Think tanks cluster in high concentration in global cities such as Shanghai, Singapore, New York and Sydney.

The creation of ASEAN in 1967 has generated a regional source of demand for policy analysis. Of relevance here, the ASEAN secretariat lacks sufficient strength and staff to conduct policy research and advisory functions. In short, there is a policy analysis vacuum in the formal structures. The influential role of think tanks in Southeast Asian security and economic cooperation has long been recognized in the work of ASEAN-ISIS (Morrison & Evans, 1995). Vietnam has been involved with ASEAN-ISIS since 1995 via the Institute for International Relations. The Cambodian Institute for Cooperation and Peace<sup>20</sup> is also a relatively new member.

A second feature of the transnationalization of think tanks is the use of these organizations as an unofficial means for states to project their interests abroad. American foundations and USAID (as well as other development agencies like the World Bank) have 'exported' the American think tank model to Central Europe, Asia, the Middle East and North Africa. The 'think tank' model has become an object of development policy and an organizational tool both to build capacity in policy making and to promote civil society in an American or western likeness. However, transplantation does not always work.

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20 CICP: <http://www.cicp.org.kh/default.htm>

On a more prosaic level, think tanks regularly provide a public platform for visiting dignitaries and other international events. Somewhat behind the scenes, think tanks have become venues for informal diplomacy. The ASEAN-ISIS institutes have been particularly effective with their 'summitry' in the security domain, and notwithstanding the dent to regional economic cooperation in the wake of the Asian financial crisis, the institutes have been important actors in keeping regional policy discussions alive and informed.

Third, independent think tanks are global in the sense of being one group of actors in global civil society. Think tanks interact with social movements and NGOs in coalitions of policy advocates to provide expertise on various policy questions. More importantly, think tanks have established their own transnational networks. PASOS - the Open Society Foundation network of policy institutes in Central and Eastern Europe - is a regional network. Global ThinkNet, convened by the Japan Center for International Exchange<sup>21</sup>, hosts ad hoc meetings of think tank directors and senior scholars. Through the 1990s, the Tokyo Club<sup>22</sup>, which is convened by Nomura Research Institute (NRI) in Japan, drew together analysts from Brookings, Chatham House, Institut fuer Wirtschaftsforschung, NRI and the Institut Français des Relations Internationales. The Global Development Network is an extensive federal network primarily of economic research institutes.<sup>23</sup> These are at the elite, mainstream and conservative end of global civil society. These networks provide an infrastructure for global dialogue and research collaboration, but institutes remain committed to the nation-state where they are legally constituted.

Fourth, think tanks are also involved in cross-national processes of policy transfer, where they go beyond detached policy analysis to advocate and spread certain policy ideas and practices (Ladi, 2005). For instance, think tanks have been vehicles

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21 JCIE Global ThinkNet: <http://www.jcie.or.jp/thinknet/>

22 Tokyo Club Foundation for Global Studies:  
<http://www.tcf.or.jp/events/20000127-28.html>

23 GDN: [www.gdnet.org](http://www.gdnet.org)

for the spread of policies as diverse as privatization, anti-corruption strategies and constitutional reform. They transfer ideas as well as programs. On the first score, the ideas and concepts of the 'new public administration' have been transmitted to developing and transition countries by international organizations like the EU, OECD and regional banks in partnership with think tanks and professional associations. Local think tanks play a role of interpretation, synthesis and adaptation of 'international lessons' to tailor and fit the national context and legal requirements. On the second score, an increasingly important development is the inclusion of think tank expertise in semi-official global policy partnerships collectively convened by business, NGOs, international organizations and governments as partnerships to deliver global public goods (Reinicke, 1999-2000).

What does the transnationalization of think tanks mean for Vietnam? While there are many pressing policy problems of local and national concern, Vietnamese think tanks cannot afford to ignore the regional and global domains of policy debates. National sovereignty is being eroded and new modes of policy authority are emerging with regional and global governance. In other parts of world, think tanks find it necessary - indeed are compelled - to address new arenas of decision making beyond the nation-state and to become involved in transnational networks and public-private global partnerships. A global 'marketplace of ideas' is taking shape but it is one where North American and European think tanks dominate.

The advantages of global and regional interactions is the considerable scope for building policy analytic capacity that comes with international experience and the opportunities to become well-versed with 'best practice' in policy analysis. The reason think tanks in other countries invest in participation in global policy debates - sending staff to conferences and meetings, becoming partners in international research projects - is because it is an indirect means to resources: funding, data, expertise and patronage. The global domain is where policy institutes are seen and recognized by donors, whether those donors are international organizations, governments or NGOs. The disadvantage is that international networking is expensive, time-consuming and



detracts from other organizational activities. Nevertheless, the ability of Vietnamese think tanks to actively participate within global and regional policy forums - to be 'plugged in' - signifies the degree to which they have built capacity for policy dialogue and have met international standards. As such, international recognition - such as invitations to present at conferences, research grants, etc - can be considered as one criterion to evaluate how well Vietnamese think tanks are performing.

#### 4. Best Practices of Effective Think Tanks

The criteria of effectiveness differ from one policy context to another, and in relation to the mode of evaluation required by primary funding agencies. For instance, many American think tanks adopt as just one indicator of their 'success', the amount of column inches of newspaper reportage they receive. By contrast, a foundation may require other indicators of the impact of policy research they fund by asking for evidence that a think tank has 'engaged with stakeholders'. However, there is also much that can be done with the internal management that contributes to think tank quality. Accordingly, this section first draws up the eight management principles for think tanks developed by Raymond Struyk for think tanks in the transition societies of Central and Eastern Europe (Struyk, 2002). It is followed by some comments about the elusiveness of policy influence with government.

##### *4.1. Management Challenges for Transition State Think Tanks*

Improving organizational management is as important as raising analytical capacities. Good management and good governance is crucial to the effectiveness of policy institutes. A flawed administrative structure cannot be offset by strong political directives or substituted by the dynamic and charismatic leadership of an individual director.

In brief, (and using my own nomenclature) the eight principles developed by Struyk (2002) for the "maturing" post-communist think tanks are:

1. Motivating staff for improved productivity and retention;
2. Ensuring standards through quality control
3. Innovation and organizational renewal
4. Appointing research managers
5. Corporate governance
6. Mode of research provision and product
7. Financial integrity
8. Bridging research and policy

#### *4.1.1. Motivating staff:*

Staff motivation problems (disinterest, low productivity) impact negatively on think tank operations. Staff in non-profit civil society think tanks are usually differently motivated to those in the state sector. People attracted to civil society think tanks often want 'to make a difference' and are inspired by the particular mission of the organization. By contrast, a state sector think tank generally offers security of employment and a relatively direct link to government. Working conditions, facilities (computer, internet, access to data, etc) and interesting work content help in attracting and retaining capable analytic staff. Equally important in creating conditions for higher productivity and innovation from researchers are: (i) recognition of individual achievements and their authorship of reports; (ii) clear career grades and opportunities for development; (iii) competitive salaries, compensation and rewards. This entails transparent procedures for performance evaluation and promotion, as well as planning for staff training and professional development. Staff need to keep abreast of international disciplinary debates and methods via courses or conference participation. Staff should be encouraged to publish in local language and, in appropriate circumstances, in another international language. Another unavoidable requirement that Vietnamese think tanks will face in the future - sooner or later - is the real necessity of staff to fundraise and win research grants. This takes time, practice, perseverance and a 'thick skin' for when applications are unsuccessful.

#### *4.1.2. Quality Control:*

It is essential to pay scrupulous attention to quality of think tank products and services. Usually, the best means is to hire and retain highly qualified researchers; that is, staff with PhDs and policy experience to ensure that advice is reputable and relevant. The standard approach to ensure quality in the world's leading institutes is peer review. Best practice is that: "analysis should be factually correct, logically consistent, methodologically sound, grounded in current and historical literature, objective, and written in a way that will be useful to the primary audience" (Struyk, 2002: 65). The conclusions of research and analysis should not be predetermined. Peer review methods are diverse and can be undertaken internally via in-house seminars, by the think tank research director and/or management team; and externally, via blind refereeing in scientific journals or use of commissioned reviewers. Other matters of quality that make a big difference to funding bodies include: meeting deadlines, effective presentation of results, and practicality of advice and recommendations. RAND has produced internal guidelines of its corporate conceptions of high quality research which can be regarded as an international benchmark (see Appendix 1).

#### *4.1.3. Organizational Innovation:*

Civil society think tanks are under constant competitive pressure to innovate, renew their work program and develop both new products and new clients. Think tanks supported by the state - either as a unit within a ministry or a non-departmental public body - need their organizational antennae more attuned to political and bureaucratic agendas. Reevaluating a think tank's mission statement, developing new work programs, seeking new clients and diversifying research agendas requires strategic planning. For Vietnamese think tanks, work for donors and national government provides regular and familiar work of policy development, legislative drafting, empirical background studies, program evaluation and so forth. Developing new clients in the business sector - such as with banks or foreign companies - presents challenges of diversification of think tank research

agendas and products. These clients have different expectations about the kind of research, the speed with which it is delivered and the confidentiality of the results. However, the rewards of developing new private sector clients with consultancy contracts include broadening the researcher's experience, improved efficiency and heightened public profile.

#### *4.1.4. Strong Team Leaders:*

These go by various titles such as department heads or division managers as the 'middle management' of medium to large think tanks. It is the responsibility of the senior management - usually the director - to appoint team leaders to coordinate project work and its marketing, ensure productivity and a positive work environment. In theory, selection of these managers should be done on the basis of the candidate having (i) experience and substantive knowledge of the specific policy field and project; (ii) their interpersonal skills as a leader and mentor; (iii) their initiative and sensitivity to client needs; (iv) organizational and management skills; (v) technical sophistication and credentials (PhD); and (vi) their intellectual creativity. Such attributes are often intangible but contribute to the 'buzz', creativeness and dynamism of the research process. The productivity of the entire institute depends on the success of these team leaders. Appointment on the basis of seniority alone, patronage and favoritism, or personal and political connections cultivates a hierarchical environment of directed research and unproductive behaviors. According to Struyk, authoritarian leadership styles persist in the knowledge industries of Asia when international experience has shown that consultative, participatory research processes are more productive (2002: 137; 146).

#### *4.1.5. Boards and Governance:*

External oversight from highly reputed members in a board of trustees strengthens the governance of an institute as well as its image with external audiences in the foundation world, with business and among international organizations. For governmental institutes, there may be no board of trustees in place.

Administration, including the hiring and firing of institute directors, is handled by senior bureaucrats in accordance to civil service codes. Instead, an 'advisory council' or 'scientific panel' may perform some roles of oversight - depending on how frequently it convenes. Similarly, policy institutes based inside universities (such as my own - CPS) may have an academic advisory body, with financial and other administration functions dealt with elsewhere in the echelons of the university. For independent institutes, the board is the essential decision making body to ensure accountability (that is, that the organization's resources are properly expended without waste on excessively expensive offices, travel, salaries or activities) and to ensure that the institute maintains its public role. The more mature, academically secure and financially stable an institute, the more the management can be left to institute directors, and the big questions of vision and strategy in the hands of the board. A frequent reality is that boards are dysfunctional: they 'micro-manage', they are reactive rather than strategic visionaries; they are distracted by day-to-day management problems instead of setting long-term targets, or they become dormant. The most effective advisory boards are small and of diverse composition incorporating a range of experience to aid strategic development of an institute. An independent board of trustees may not be politically feasible for governmental think tanks in Vietnam. Nevertheless, advisory committees of eminent scholars or practitioners from institutions outside the ministry (such as those based in universities or in private bodies) as well as from overseas contribute to the prestige of an organization.

#### *4.1.6. Structuring Research Staff around 'stars' or 'teams':*

There are a number of different models around the world. Some think tanks are noted for the 'high-flyer' researchers who often work solo on their own projects with only the assistance of research assistants. The product is usually published under the 'star's' name. This model is one dominant pattern in North America and Western Europe. By contrast, large scale projects, program evaluations etc. that involves field work, statistical analysis or other original data collection often require team

work. Commissioned research is often done on a team basis. A further consideration is the balance of full time residential and part-time contract staff and associate researchers. Due to the vicissitudes of funding, many transition state think tanks rely on a core of full time residential staff but draw in associate researchers on a project basis. Generally, there are high fixed costs with maintaining a large number of residential research staff. Such arrangements are usually found in state-supported institutes - as in Vietnam - or in older mainstream think tanks with sizeable endowments. Where competitive pressures impel independent institutes to continuously evaluate the balance of staff among resident, contract and 'distinguished visitor' types, there is little incentive or flexibility to do so in state-funded governmental institutes.

#### *4.1.7. Financial Management:*

For institutes with the security of state funding or a large endowment, financial accountability is an internally driven process. However, to the extent that Vietnamese institutes seek external research funding from business and international donors or to become partners in international research projects, it will be necessary to meet the accounting and auditing standards of the donor. This means that an institute must know its own real costs (direct and indirect) and have the technical capacity for financial accountability.

#### *4.1.8. Communication and Dissemination of Results:*

Too often the research process ends with the completion of a written document that ends up gathering dust on the book-shelf. Little thought is given to the mechanisms of how to communicate research results to those who would find the information useful, and little consideration is given to packaging the research in different formats so as to have better impact and visibility in policy circles. Research results need to be timely, comprehensible and written in an engaging style. Too often research is ignored because it is presented in a jargon-ridden, dry scientific manner. International funders of research are now demanding that

strategies for communication or engagement with 'user groups' be built into the research process. Instead of reviewing the voluminous literature on 'bridging research and policy', there are organizations with excellent web-sites providing practical advice on communications strategies.

- RAPID - research and policy in development [www.odi.org.uk/rapid]
- IDRC - international development research council
- GDN - global development network. [www.gdnet.org]

'Knowledge utilization' requires budgetary allocation for dissemination and staff training on communication techniques such as how to write policy memos or work with the media. The methods of communication are diverse, but are an essential ingredient in research being heard and becoming influential. In the words of MIER in Malaysia, "think tanks... need to not only think but also talk".

These management principles developed by Struyk (2002) do not represent a fool-proof toolkit or instruction manual. Instead, there are strategic choices to be made by institutes as to how to structure their organization to best fit their socio-political context and policy niche.

#### *4.2. Image and Reputation: The Reality and Rhetoric of Policy Influence*

There is a need for realism in planning for policy impact. The routes of access and strategies of influence will vary according to historical and institutional context of a country, and the degree to which a think tank is an 'insider' or an 'outsider' to policy communities and power holders. Moreover, a distinction needs to be made between the wider societal implications of 'research relevance' and the more concise idea of 'policy influence of research'.

Research may have no impact on decision-makers. This does

not mean it is of no utility or interest. Other stakeholders - the media, international organizations present in Vietnam, the business sector, etc - may wish to be informed of research results. They may not be the target audience for the research product - that is, government decision makers - but these institutions can provide an indirect route of influence.

A nascent population of private sector institutes or research oriented NGOs could represent competitive pressure on governmental think tanks in the future. At the same time, new opportunities are likely to be afforded as well. NGO research capacity represents opportunity for collaboration and partnership. Should political leaders choose to solicit policy research outside the government or party structures, these leaders will still need advisors inside government to help interpret and balance such results and absorb the research. In short, there is considerable potential for symbiotic relationships.

Another factor of importance is that 'policy influence' means different things to different sets of individuals and institutions. Donors may want to see 'evidence' of the impact of think tanks in policy developments. This may mean developing a range of indicators of 'influence' or 'policy relevance':

1. Politico-Bureaucratic
  - impact on legislation; drafting of bills; writing speeches
  - appointment of institute staff to official committees
  - political patrons and connections
  - international organization patronage and co-option of think tank staff
  
2. Societal
  - media recognition and coverage
  - number of commissioned research projects from business
  - stakeholder engagement and participatory research
  - network membership and affiliations



3. Organizational

- publication record
- qualifications and experience of staff
- policy training capacity
- external funds raised
- content, navigability and sophistication of website

However, indicators often do not capture the more invisible features of influence that may occur through 'corridor lobbying' and professional contacts built over time that develop into relationships of trust allowing 'insider' access to policy communities. Patron-client relationships typical of the Chinese system, and the 'revolving door' phenomenon of the movement of individuals between government and think tank in Singapore, entail a more intangible and indirect route of influence.

An oft-forgotten factor of influence is that think tanks produce human capital. This is not only the university-based institutes involved in providing public policy/management degrees. It is also the policy training and 'on-the-job' experience within think tanks that provide individuals with the bureaucratic skills and political contacts to advance a career in government or 'international development'.

Others suggest that policy influence is more long term, atmospheric and subtle. That is, where the culture of debate is altered, or how the ruling ideas and values of a society are fashioned. However, it is beyond the scope of this study to delve into social science debates about the long term 'enlightenment' functions of research and analysis (see Weiss, 1992) other than to conclude with a famous quote of John Maynard Keynes:

The ideas of economists and political philosophers (...) are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am

sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas (...) soon or late, it is ideas, not vested interests, which are dangerous for good or evil (Keynes 1936: 383-4)

## 5. Conclusions: The Challenges of Policy Relevance

In commissioning this study, the central question the ADBI wanted addressed was: What are the attributes of an effective think tank? There is no simple answer to the question and there are no technocratic 'quick fixes'.

Focusing on internal management issues can not be considered in isolation from the wider political and economic context. Management is important to the sustainability and quality of work of *individual* institutes. Nevertheless, it is also essential to consider Vietnamese governmental institutes in aggregate. The strong departmental affiliations and the weak interaction with research counterparts in other departments point to a broader governance issue. The Americans would see this dynamic as the result of departments set up as (vertical) 'stove-piping' without sufficient structures for (horizontal) coordination, and the British would describe it similarly as a 'silo' structure and absence of 'joined-up-government'. In short, the effectiveness of Vietnamese institutes can be undermined by the general institutional architecture. Nevertheless, there are some actions that are within the scope of Vietnamese think tank processes:

- Attention to quality control and other management issues is an enduring and constant fact of organizational life. It is not an occasional task of once-yearly review. See Section 4., and Appendix 1.
- Diversification of funding base. The most stable and independent institutes are those with a mix of revenue sources. Developing new revenue sources takes time and it should be done without damaging an institute's reputation and quality of product.
- Some (not all) Vietnamese think tanks (and not all the

time) need to become more transnational in their activities and engagements to stay abreast of global policy debates. This can be achieved via professional exchanges, fellowships, graduate study overseas as well as involvement in international research partnerships and global (or regional) policy networks. Vietnam is not immune to the pressures of globalization, and that includes pressure on policy communities.

- Deepening and widening of policy communities. By developing more horizontal relationships with counterparts in other institutes it is possible to expand beyond the vertical organization based on departmental or party bureaucratic lines of authority. This can also include engagement with some private researchers in the business sector, the media or certain NGOs.

Another question from the ABDI has been: What can be learnt from international trends and patterns in the think tank industry? Given the world-wide boom of think tanks or policy institutes, it seems evident that these organizations are important vehicles for conducting research on social and economic affairs. In Vietnam, the analytic needs of the state to steer *doi moi* are probably on the increase and there will be increasing demand on Vietnamese institutes to assist in economic transition and public sector reform. The international trend is for more, not fewer, think tanks. This think tank development has been diverse but on balance, most new think tanks in the past two decades have been established as (semi-)independent bodies. By contrast, private policy research bodies in Vietnam are few and they operate in an environment where partnership with the state is the norm; a norm that is substantially different from Western civil society notions of advocacy, confrontation and critique. Although a pluralistic transition to a vibrant civil society is not on the horizon, other reform dynamics such as the spread of the new public administration - could be more pervasive in Vietnam. A salutary lesson from the former Soviet Union and the transition states of Central and Eastern Europe, is that some day in the future the very many institutes currently based inside

Vietnamese government departments may become among the first casualties of public sector reforms and cutbacks.

Finally, there is the inevitable anxiety and vexed questions about 'independence'. To many Western observers, Asian think tanks are considered to have an unhealthy close relationship with government. Given perceptions that they "serve to toe the official line", even *The Straits Times* has asked the question: "Can Asian Think Tanks Think?" (Rekhi, 2002).

Independence must be assessed on more than one criterion whilst recognizing that calls for independence can sometimes conflict with and contradict calls for policy relevance. Dimensions of independence can include:

1. Political independence from vested interests
2. Legal independence
3. Financial independence
4. Scholarly autonomy and 'freedom of research'

A western think tank may trumpet its status as a non-profit organization with no affiliations to political party or business interests. Yet, funding dependence on one client - such as a government department - will raise questions about freedom to set research agendas and subtle forms of self-censorship in ensuring the delivery of desired research results. In the end, perfect and complete independence is neither possible nor desirable for organizations such as think tanks. Instead, independence, autonomy and scholarly freedom are based on strong professional norms, (institutional) relationships open to scrutiny, and tolerant but vigilant political cultures.

## Appendix 1

### RAND Standards for High Quality Research

The standards were codified at RAND as a description of the quality standards for all RAND research. They are also the set of principles by which RAND research divisions and programs shape their individual quality assurance processes.

#### General Standards

- The problem should be well formulated;
- The research approach should be well designed and well executed;
- The data and assumptions should be sound;
- The findings should be useful and advance knowledge;
- The implications and recommendations should follow logically from the findings and be explained thoroughly;
- The documentation should be accurate, understandable, cogent and temperate in tone;
- The research should demonstrate understanding of previous related studies;
- The research should be relevant to the client and other stakeholders;
- The research should be objective, independent and balanced.

The additional standards below describe special qualities of studies that RAND uses to define its institutional legacy and reserved to describe its most outstanding research work.

#### Special Standards

- The research is comprehensive and integrative;
- The research is innovative;
- The research is enduring.

The motto of RAND is: *Objective Analysis. Effective Solutions.* RAND's web-site can be found at: [www.rand.org](http://www.rand.org)

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# Vietnam's Public Policy Research Institutions and Their Activities

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Bui Van  
Pham Hong Ha

## 1. Overview of the System of Public Policy Research Institutions in Vietnam

### *What are public policy research institutions?*

There is no official definition of public policy research institutions (PPRIs) in Vietnam. Based on prevailing science and technology (S&T) legislation, PPRIs can be classified within a broad category of research and development (R&D) institutions. The R&D institutions are organized in various forms such as R&D research institutes, R&D research centers, and laboratories. Depending on missions, organizational structure and operational scope, the R&D institutions can be further classified into:

- *National R&D institutions.* These institutions are established by the Prime Minister and carry out S&T tasks assigned by the state. They primarily establish the scientific basis for determining nation-wide development goals, strategies, policies and laws.
- *Ministerial R&D institutions.* These institutions belong to ministries, ministry-level agencies, or government-attached agencies. They are established or authorized by

the Prime Minister and are responsible for implementing S&T tasks relating to development targets in specific areas or sectors.

- *Provincial R&D institutions.* These institutions are attached to the authorities of provinces or cities under the direct management of the central government. These institutions are established or authorized by the Prime Minister and are responsible for implementing S&T tasks for local socio-economic development.
- *Other central R&D institutions.* These institutions are established by social and political organizations at the central level and conduct research activities according to the objectives of the founding organizations.
- *Grassroots R&D institutions.* These institutions are formed by domestic as well as foreign organizations and individuals and implement S&T activities determined by the founding organizations or individuals.

There are currently more than 1,100 R&D institutions in the country, of which 500 are non-governmental institutions and 197 are universities and colleges.

Research activities relating to public policy formulation have been conducted primarily by public R&D institutions, particularly the public research institutes, both in natural and social sciences. The research activities associated with public policy issues can be categorized into three types: (i) basic research providing the scientific basis for public policy; (ii) policy-oriented research directly designing nation-wide or industry-wide development strategies and policies; and (iii) technology-oriented research providing the foundation for or designing strategies, master plans, policies, procedures or standards for specific areas or sectors. Accordingly, in this study PPRIs refer to public research institutes, which have a primary objective to influence public policy. The PPRIs do not include the administrative bodies under government ministries who also engage in research activities for public policy formulation.

*What are the roles of different PPRIs in public policy formulation?*

The public research institutes have undergone a restructuring process since the early 1990s. A decree by the Prime Minister in 1996 divided public R&D institutions into five groups, as being: (i) part of ministries, ministry-level agencies, and government-attached agencies; (ii) part of state general corporations; (iii) self-financed; (iv) transformed into independent enterprises or parts of enterprises; and (v) subjected to merger or dissolution. Public policy research activities are mainly undertaken by the institutions belonging to the first group, i.e. institutions which are part of ministries, ministry-level agencies, and government-attached agencies.

Presently, some 100 research institutes exist in Vietnam, most of which fall into the above-mentioned category. Nearly half of these are part of two national academies that have the legal status of government-attached agencies: the Vietnamese Academy of Social Sciences (VASS) and the Vietnamese Academy of Science and Technology (VAST). The VASS has 26 institutes for social sciences and humanities, ranging from art to economics. The main function of VASS's institutes is to conduct studies into basic social issues in order to provide scientific grounds for strategies, planning and policies. The VAST has 18 institutes and some sub-institutions focusing on the full range of natural sciences. The VAST's institutes are involved in public policy formulation through supplying scientific information on natural resources and conditions in the design of national and local development plans, participating in formulating strategies and policies on S&T development, education and training, protection of natural resources and environment, and participating in reviews of technological contents of key national projects.

In addition, almost all ministries and ministerial-level agencies have established their own research institutes. Within the ministerial structure, the research institutes are the principal bodies for designing development strategies and master plans for the whole industry or for specific sub-industries. Some institutes are also charged with developing the programs to be applied within an industry. A select few of these institutes play an active role in drafting regulatory documents.

In addition, a small number of institutes operating under the authority of provincial governments or other social and political organizations actively participate in public policy formulation.

Based on the degree of involvement in policy formulation, PPRIs can be categorized as: (i) policy-oriented research institutes, which are normally parts of the ministries; (ii) basic social research institutes, which are mainly those under the VASS; (iii) basic natural research institutes, which are mainly those under the VAST; and (iv) applied research institutes, which conduct technology research and, therefore, contribute the technological contents of the policies.

*When were PPRIs created?*

PPRIs were created mainly in the period from the 1960s to the 1990s. The 1990s saw a particularly strong growth in the number of newly-created PPRIs with 28, most of which were attached to ministries and directly involved in the policy making process. The increase in the number of PPRIs also reflects that many ministries, when faced with economic reform and international integration, lacked the necessary bodies responsible for developing long- and medium-term policies.

*Table 1.*  
*Creation periods of PPRIs*

Decades	Policy-oriented research	Basic social research	Basic natural research	Applied research	Total
1950s	1		1	7	9
1960s	3	8	1	14	26
1970s	4	5	3	13	25
1980s	6	3	1	10	20
1990s	10	3	7	8	28
2000s	1			1	2
<b>Total</b>	<b>24</b>	<b>19</b>	<b>13</b>	<b>54</b>	<b>110</b>

*Source: GSO survey and our calculations*

*What are the key functions of PPRIs?*

Based on the legal documents describing their mandates, the key functions of PPRIs are to:

- prepare documents on sectoral development strategies, master plans, and policies;
- prepare regulatory documents;
- conduct research schemes and projects;
- review proposed projects;
- establish sectoral standards and technical procedures;
- collect, process, and provide information;
- train staff or post-graduates;
- provide consultancy services;
- engage directly in international cooperation;
- manage the research activities of ministries.

The results from our survey indicate that most institutes determine their medium-term research areas or topics as the ones directly related to their functions.

*How are the research tasks of PPRIs identified and implemented?*

Like many other industries, Vietnam's public policy research industry is heterogeneous. Considering the 'micro behavior' of the participating actors, the industry can be stratified by clients/sponsors and types of products. The clients for the public policy research products are the state, foreign donors, and others. Public policy research activities can be classified into two groups: activities which provide a scientific basis for public policy formulation (state and ministry-level research projects, policy advocacy documents, books, articles); and activities related to the actual design of policies (development strategies, development master plans, policy proposal projects, and regulatory documents). Figure 1 illustrates the segments of the public policy research industry in Vietnam.

Figure 1.

*The segments of public policy research industry in Vietnam*

State sponsor + Research activities for scientific grounds	Foreign donors + Research activities for policy advocacy
State sponsor + Research activities for designing policies and regulation	Foreign donors + Research activities for designing policies and regulations

The following section describes the four stages in the research process of state-funded studies providing a scientific basis for public policy formation. The four stages are: (1) setting the research tasks; (2) selecting the performing institutions/individuals; (3) monitoring and evaluating research results; and (4) dissemination (see Figure 2).

*Stage 1: Identification of research tasks.*

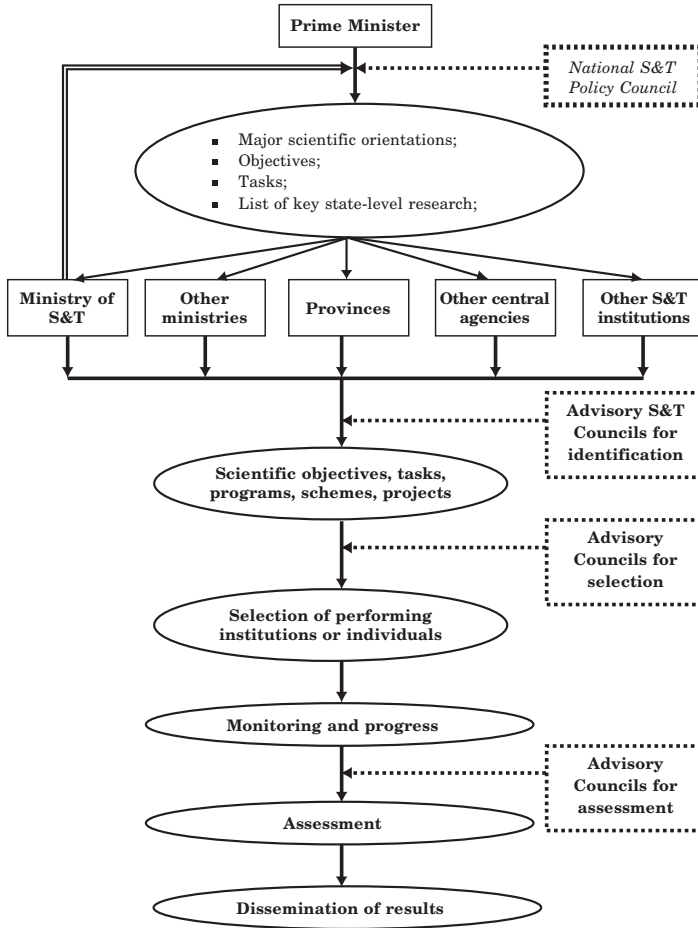
Identifying the right and most promising tasks is essential for successful research. At the highest level, the government approves the nation-wide scientific objectives, activity plan, priorities, tasks, and the list of key state-level scientific programs, which are prepared and submitted by the Ministry of Science and Technology (MOST) and the Communist Party's Central Theory Council (for political science). Based on the Government's scientific objectives and activity plan, subordinate organizations set their own scientific tasks. The MOST determines state-wide scientific schemes and projects; other ministries and provincial authorities set the ministerial-level scientific schemes and projects; other organizations and individuals determine scientific schemes and projects on the grassroots level.

Vietnam's S&T legislation requires that state-funded scientific tasks are aligned with the targets of socio-economic development. The state-wide scientific schemes and projects accordingly focus on the goals outlined in the national socio-economic development strategy and plans, while the ministerial-level

schemes and projects focus on the development objectives set by ministries or provinces.

Figure 2.

S&T research: task identification and implementation



Consultation is required for setting scientific tasks and is implemented through consultative and advisory councils. The degree of consultation varies, however. Basically, every organization or individual in Vietnam has the right to propose a scientific project to the S&T authorities and the National Foundation of S&T Development (NAFOSTED) and its subordinate bodies. The S&T authorities are responsible for setting guidelines, organizing wide consultation, and reflecting the appropriate tasks in the five-year and annual scientific plans. In order to prepare the primary list of state-level S&T schemes and projects, the MOST annually organizes for proposals to be collected from a wide range of ministries, provinces, S&T institutions, and individual researchers. This procedure aims to ensure that there is a clear understanding of critical S&T research required for socio-economic development. This consultation is undertaken in various forms such as workshops, conferences, and questionnaires. The proposing organizations or individuals submit proposals that contain basic information on the S&T project - e.g. title, explanation of needs, objectives, main contents, expected products and results, applicability and research expenditure.

The S&T authorities at all levels of government are required to establish advisory councils for setting S&T tasks. The independence and qualification of members are key criteria for setting up these councils. At the highest level, the National S&T Policy Council advises the Prime Minister on the objectives and focus of the state-level S&T programs. The members of this Council are appointed as individual researchers and not on behalf of their employing organizations. The heads of ministries and provinces are required to convene the advisory councils for identifying the S&T tasks. Half of the members of each council must be representatives of state management authorities, businesses and other related organizations, and half must be suitably qualified researchers. For example, in establishing the state-wide schemes and projects, the MOST forms the advisory councils for each research area. The council analyzes and discusses the proposed state-wide schemes and projects, and votes to choose the most appropriate. The council also prepares the project summaries, which are submitted to the S&T Minister for approval.



*Stage 2: Selection of performing institutions or individuals.*

The state-funded S&T projects are assigned to organizations or individuals by the relevant S&T authorities or NAFOSTED, either through direct assignment or via a selection process. The direct assignment is only applied in the case that (1) the S&T tasks are classified as state secrets, peculiar to security and defense; (2) the S&T tasks are urgent, with complex and sensitive contents; and (3) only one organization or individual is capable of conducting such a S&T task. The heads of perspective S&T authorities can directly assign the S&T tasks to their units or personnel. The assigned units or individuals are required to prepare and present the research outline to the S&T council. This mode of assignment is largely applied to the ministerial-level and to the grassroot schemes and projects.

For the S&T projects assigned through a selection process, the relevant S&T authorities must announce the planned S&T tasks for the following fiscal year through the media and ensure equal opportunity for all eligible organizations and individuals. The head of the relevant S&T authority makes the final decision on the selection of the organizations or individual, with reference to the consultation of the selection council formed (by the authority head) for the task. Selection results must also be published. To ensure the independence and competence of the process, one third of the selection council members must be representatives of related state agencies and of the industry or business sector which is to use the research results, and of other related agencies. The remaining two thirds should be made up of scientists from the relevant field. These regulations aim to ensure that the S&T task selection process invokes the principles of transparency, equality and democracy. Indeed, this selection process based on application and peer review is applied in the selection of state-wide projects.

Additionally, organizations and individuals can apply for funding or loans from the NAFOSTED, which funds or provides loans only for those projects not covered in the state S&T plan and which have nation-wide, inter-industry and regional impacts.

*Stage 3: Research monitoring and evaluation.*

The S&T tasks are performed on the basis of contracts. An S&T contract covers issues such as the content being in conformity with the approved outline, intermediate outputs, progress, and dissemination of results and proposals. The contracting authorities are responsible for supervising the performance of S&T tasks, including periodic monitoring. If necessary, they can suspend or amend the performance of the S&T tasks. The contracting authorities also establish the councils responsible for appraising and recognising the S&T tasks. To ensure the applicability of the S&T tasks, one third of the council members are representatives of state management agencies, related production and business units, and other related organizations. The other two thirds of the council members are individual scientists in the related scientific areas.

*Stage 4: Use and dissemination of research results.*

The S&T authorities at all levels are responsible for reporting to the competent leading and managing agencies about the results and new findings proposed by performing organizations or individuals. In turn, the competent leading and managing agencies consider the values and effects of the proposals and reply to the proposing organizations or individuals. The research results are kept at the S&T authorities as well as with the performing organizations. The competent leading and managing agencies recognize the results of S&T tasks and make decisions on the content, scope and forms of publication of the research results.

The above-mentioned research performance process aims to ensure the research results are relevant, to strengthen the application of the results, and to introduce competition in research activities. The processes take into account the international common practices in conducting research to a certain extent. However, the actual outcomes produced are not necessarily the desired ones. There are two reasons for this situation. The first is due to the existing regulations themselves. The most common claims are: (1) the lack of robust criteria to identify the S&T tasks and effective mechanisms to ensure that S&T tasks meet the cri-

teria; (2) the lack of regulations clearly distinguishing the responsibilities of S&T authorities at all levels; and (3) that the appraisal criteria for basic research do not follow international standards, while the appraisal criteria for applicable research is not sufficiently focused on the effects on socio-economic development.

Importantly, the reason relates to the implementation process. The lack of coordination of S&T authorities at all levels has resulted in significant overlap between industries, levels, and provinces. In reality, competition has not been widely applied in the selection of performing organizations and individuals. In fact, the selection process is mainly applied for state-level projects, while direct assignment remains the mode of S&T assignment within the ministries and provinces. This is illustrated in the research performance process. The advisory councils play the key role in ensuring that research activities provide valuable and applicable results. The sound regulations on the research performance process only realize their potential effects if the advisory councils are effective. However, in practice the identification and implementation of the projects are not based sufficiently on the objectives and strategies of the overall socio-economic development. The advisory councils have do not have the capability of fulfilling this role, largely due to the manner in which the councils are selected. This holds true in particular for the councils appraising S&T projects.

#### *How are the PPRI financed?*

The PPRIs are funded from both state and non-state sources. The state funding to the PPRIs comprises the S&T expenditures stated explicitly in central and local annual budgets as well as in state, ministerial or provincial socio-economic development projects. Non-state sources consist of funding from domestic and foreign donors, other organizations or private funds, bank credit, and scientific expenditures in socio-economic development projects that are not funded from the state budget. Before 1990, the funding came exclusively from the state budget and from foreign donors. The survey on 233 S&T establishments by MOST in 1994 indicated that state funding accounted for 57.6% while foreign sources accounted for 10%. A survey conducted by GSO in 2002

on almost all existing S&T institutions, including PPRIs, indicated that state funding accounted for 54% of total funding of S&T institutions, while funding from foreign donors and from the provision of services accounted for 8.5% and 37% respectively.

Funding of PPRIs mainly goes into technology-oriented research, followed by policy-oriented and basic research. The funding levels reflect the fact that technology-oriented research requires greater resources. As can be seen from Table 2, policy-oriented and basic research in both the social and natural sciences, are heavily dependent on state funding.

*Table 2.*  
*Funding level and structure, 2001*

	S&T	PPRIs				
		Total	Policy-oriented	Social science	Natural science	Technology
Total revenue (bill. VND)	2,127	1,343	180	66	112	985
State budget (%)	53.52	49.38	68.0	86.2	72.9	40.8
Foreign donors (%)	8.47	11.85	6.3	5.0	11.5	13.4
Services (%)	36.89	37.71	25.7	8.6	15.6	44.4

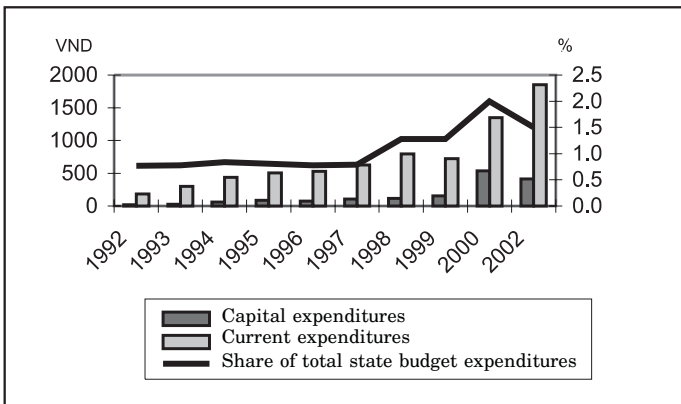
Source: Our calculation based on the GSO's survey

The government has decided that the state budget expenditure on S&T activities should be 2% of total expenditures since 1992. To achieve this target, the state funding for S&T activities has steadily increased between 1992 and 2002. However, with the exception of the year 2000, the share of S&T activities in total expenditures remains below 2%. There is no data of the state funding for the PPRIs available in the published state budget.

Based on the survey data in 2002, PPRIs accounted for 50-60% of state funding to the S&T activities. Furthermore, technology-oriented funding accounted for 61% of total state funding to the PPRIs, with policy-oriented research accounting for 18%, social sciences research 8.6% and natural sciences research 12.4%.

State funding covers infrastructure and current expenditures of PPRIs. The infrastructure funding covers the expense of new construction or expansion of infrastructure and is granted in general on a long-term basis. The current expenditure finances a variety of expenses: personnel and current operation, S&T tasks (state, ministerial, and grassroots levels), basic surveys, S&T information, and international cooperation. The current expenditure accounts for a significant share of 70-80% of total state funding. Among current expenditure, the share of payment to salaries and current operations of institutes account for about 30%. The allocation of state funding has been gradually changed from institutional funding, which covers the expenses of infrastructure and personnel of the institutions without paying attention to the outputs, to project funding, which is based more on the actual outputs.

Figure 3:



### *S&T expenditure*

*Sources: Ministry of Finance and our calculation*

Most of the current expenditure is allocated to the central bodies (about 74% in 2002). The seven largest recipients of current expenditure account for 68.7% of total S&T expenditure in 2002, as follows: the state-level S&T programs (17.9%), Ministry of Agriculture and Rural Development (13.6%), MOST (12.6%), VAST (10.2%), VASS (5.3%), Ministry of Education and Training (5.0%) and Ministry of Industry (4.2%). As mentioned above, competitive bidding procedures have only been introduced for state-wide schemes and projects, which are managed by the MOST. In quantitative terms, competitive state funding accounts for less than 12.6% of total current expenditure. As a result, the two major state funding sources for PPRIs are the ministries they belong to; and the MOST. In fact, state-funded research projects are almost all implemented by the state bodies rather than non-state bodies and individuals. Competition among the candidate state bodies for state-funded research projects is not strong and, therefore, these institutions are not under high competitive pressure to improve the quality of their research.

### *Human resources*

The number of people working in PPRIs in 2001 was around 16,000, accounting for 0.15% of total employment in the economy. PPRIs use a significant component of the higher-degree workforce of the country - more than 13% of the individuals who hold PhD degrees and 4.1% of the individuals who hold master degrees. Compared with the whole economy, PPRIs have very highly qualified labor-oriented structures with staff holding PhD, master and undergraduate degrees accounting for 10.9%, 7.9% and 52.2% of the total staff body respectively. The averaged number of employees of PPRIs in 2001 was 145, of which 107 were regular staff. For PPRIs in the social sciences, the corresponding figures are 91 and 67.

*Public Policy Research and Training in Vietnam*

*Table 3.*  
*Human Resources, 2001*

	Total staff	Doctors	Masters	Bachelor	College	Junior college	Technical workers	Others
Whole economy, (persons)	10,793,376	13,178	30,078	1,032,983	415,045	1,262,738	1,523,074	6,516,280
Administrative agencies	785,971	2,136	4,372	214,582	47,179	233,823	112,977	170,902
Development agencies	1,476,105	8,055	18,108	314,249	276,472	592,747	86,642	179,832
S&T institutions	29,532	2,315	1,875	14,088	579	3,774	5,579	1,322
PPRIs	15,958	1,745	1,260	8,323	151	1,289	2,596	594
Share of the economy (%)								
Administrative agencies	7.28	16.21	14.54	20.77	11.37	18.52	7.42	2.62
Development agencies	13.68	61.12	60.20	30.42	66.61	46.94	5.69	2.76
S&T institutions	0.27	17.57	6.23	1.36	0.14	0.30	0.37	0.02
PPRIs	0.15	13.24	4.19	0.81	0.04	0.10	0.17	0.01
Labor structure (%)								
Whole economy	100.00	0.12	0.28	9.57	3.85	11.70	14.11	60.37
Administrative agencies	100.00	0.27	0.56	27.30	6.00	29.75	14.37	21.74
Development agencies	100.00	0.55	1.23	21.29	18.73	40.16	5.87	12.18
S&T institutions	100.00	7.84	6.35	47.70	1.96	12.78	18.89	4.48
PPRIs	100.00	10.93	7.90	52.16	0.95	8.08	16.27	3.72

*Source: GSO and calculation based on the GSO survey*

## 2. Analysis of the Research Environment

### *2.1. Transitional economy and society*

Perhaps the most noteworthy characteristic of the present-day economy and society of Vietnam is the status of transition. Many issues must be examined in the context of the different stages of transition and different historical and cultural situations. Global knowledge in the field of public policy is generally undervalued in Vietnam, as it does not fit, or just as importantly, is perceived to not fit the specific context of the country.

The central planning system is less dominant in the economy than other areas of public life, and even less dominant in research systems including public policy research. All the dominant research institutions belong to the Central Government. There are Central Government institutions such as the VASS and the VAST. Each ministry also has its own research institutes, e.g. the Ministry of Planning and Investment, Ministry of Industry, Ministry of Trade, Ministry of Finance, Ministry of Agriculture and Rural Development. Most research projects and topics are assigned and funded by the Government.

Some foreign-funded and private research institutions have been established since *doi moi* began, but their development has been much slower than that of the private business sector. Their roles are not yet officially recognized in policy drafting, policy advocacy, or policy analysis, while almost all of their research projects are carried out jointly or sub-contracted with state owned research institutions. Thus the independence of their voice is still very limited. Some foreign institutions that have an independent voice are operating outside of Vietnam. Their voice is essentially not recognized.

### *2.2. Unclear and conflicting views and concepts*

The transition process of Vietnam is almost unique in comparison with the systems in the Eastern Europe and in China, given the very low level of economic development and the dominant role of the state sector. Many concepts are still in the process of being defined, such as that of the 'socialist-oriented



market economy', the role of the government, or the role of state-owned enterprises. However, these concepts are critical in determining the direction of public policy. Many conflicting views are under constant debate, also among the highest ranks of government, such as free trade or protectionism, competition or monopoly. Many conflicting views are provided from different advisory groups. For example, members of the National Assembly often criticize that public investment in Vietnam is insufficient, while Vietnam is the second largest destination for financing by the World Bank and many foreign donors are praising Vietnam as the best example of efficient use of ODA in investment.

### *2.3. Unpredictable and non-guaranteed future*

One method of policy research uses past data to predict the future and accordingly advocates a course of future action. However, future directions of economics, politics and technology have become much more difficult to predict; examples include the Asian Financial Crisis in late 1997, the information technology crisis in late 1990s, the war against terror since 2001, the oil crisis in 2005, etc. These developments have rendered traditional research methodologies less useful. The process of Vietnam's global political and economic integration has naturally led to an increase of the effects of international conditions on the domestic environment and has increased the entailing uncertainty about future developments. Before *doi moi*, Vietnam was a net importer of food. Now, Vietnam is the second largest global exporter of rice, however rice farmers are among the poorest producer groups in the country. Other major products of Vietnam, such as coffee, fish, crude oil, are also affected by international conditions.

### *2.4. Imperfect information in terms of availability and reliability*

The domestic data, mainly based on domestic statistics, are not always reliable and often do not conform to international standards. One example is the GDP growth rate. This very basic figure is reported differently by the GSO, the World Bank, and the ADB. Another example is the poverty rate of Vietnam, which

is reported differently by the World Bank and the GSO through the use of different standards. The recent adjustment of the poverty standard in Vietnam (in June 2005), even though it is not yet fully compatible with the World Bank standard, has changed the country's poverty rate from 8% to 27%.

The availability of data is also a problem. Several surveys are made each year, which consume a significant amount of resources. However, data is not easily accessible for the research community. Often the agency holding the information does not feel the commitment to share it with other agencies, while on other occasions the level of confidentiality of information is simply not well defined.

### *2.5. Mixed and conflict interests*

Each government ministry has its own system of research institutes and each research organization operates under the discrete agenda and funding of that ministry. As a result, cross-ministry collaboration in research is rare and inefficient. Sometimes the conflict of interest among different agencies and industries leads to conflict in the views of research institutions. As an example, the Industry Strategy Institute, which belongs to the Ministry of Industry, has proposed a tax reduction for imported cars in 2005. However, this proposal conflicts with the goals and strategies of other ministries such as the Ministry of Transportation.<sup>1</sup>

### *2.6. Sense of sensitivity*

It must be acknowledged that the political environment of Vietnam has become much more open than before and has allowed analysis of a greater number of issues that were previously considered sensitive. Many politically sensitive views have been openly published, such as the book "The Socialist System" by Janos Kornai, or others. However, among the many research institutes in Vietnam, only a few 'strong' institutions such as

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<sup>1</sup> Interview with the Director of the Industry Strategy Institute, Ministry of Industry, VnExpress, June 1, 2005.

CIEM, DSI, the Institute of State and Law, etc. are really addressing sensitive issues. These issues include the role of government, the role of the state sector, the direction of socialist-oriented market economy, etc. Most of the institutes belonging to ministries, universities, or local government are still focused on tactical issues and technical details but avoid addressing issues that they perceive as sensitive. These limitations are the result of weak capacity of both leadership as well as researchers in the institutions.

### 3. Analysis of the Demand Side

#### *3.1. High demand for research activities from the general policy level*

The importance of research activities in the policy formulation or decision-making process has been acknowledged in many official documents. The Law on Science and Technology details that the state shall ensure that science and technology shall be a foundation for the formulation and implementation of strategies, master plans, plans, programs, and projects for socio-economic development. The Law on Regulatory Document Procedures has revised provisions to the effect that law or ordinance drafting committee members must include scientists. Furthermore, the Government requires that reviewing science and technology contents is compulsory for investment projects. Therefore, from the general policy perspective, the research activities can contribute to the public policy process at the formulation and implementation stages. The question is why the participation of research institutes in the policy process remains weak. The following sections attempt to answer this question by analyzing the constraints from the demand side.

#### *3.2. Who are the policy stakeholders?*

The stakeholders are different in the degree of power or influence and interest they have in relation to the policy. The most powerful stakeholders are those who have the actual responsibility to make the decisions in a specific policy area - 'policymakers' - ,

while others influence policymakers or lead their opinion - 'opinion leaders'.

In Vietnam, policymakers are members of the party, the national assembly and the government. Senior party members, national assembly members, the prime minister, ministers, local council members, and heads of local governments approve policy documents, while the civil servants and subordinate departments usually prepare the policy documents. As the leaders mainly decide on the general ideas or general policy orientations, the quality of the detail is heavily dependent on the civil servants and departments. In fact, the number of people directly involved in drafting policies is small. This poses a challenge to advocates of public policy research, as the willingness to accept any research results and the ability to understand them is limited to a small group of individuals. Furthermore, policymakers can be guided by their own benefits rather than the public interest, which further limits the influence of public policy research on policy making.

The opinion leaders in Vietnam include the corporate sector, media, trade unions, the Vietnam Fatherland Front, and the international community. These stakeholders are not directly involved in policy formulation, and their policy interests vary. Within the corporate sector, the state-owned enterprises (SOEs), especially the so-called general state corporations, wield strong influence on policymakers for several reasons: (i) SOEs take some social responsibility and are considered as the main tools for state intervention in the economy; (ii) some SOEs are governed by the ministries responsible for formulating policies; (iii) SOEs generally enjoy close relations with the policymakers; and (iv) many public policies are involved in the consultation process preceding the promulgation of policies. The influence of non-state enterprises, including foreign enterprises, on policymakers has recently been strengthened. The main channel through which the non-state sector influences the policy formulation process is the forums where they can raise questions and give recommendations directly to high-ranking government officials.

Media plays an increasing role in policy formulation. Nowadays many print articles report on the practical aspects of

policies and some electronic papers have opened policy fora and debates. The responses of the public to proposed or actual policies through the media have put great pressures on the government to eliminate or amend inappropriate policies.

The foreign community in Vietnam includes (i) foreign donors who wish to provide consultancy to the government; (ii) the business sector, which needs to understand the implications of policies and to predict future policies; and (iii) the international research community with a desire to understand policies and to contribute intellectually to the country. With the increasing financial and technical assistance provided to Vietnam, it is expected that the foreign donors (World Bank, UNDP, ADB and other donors) will have a strong voice in the policy formulation process in Vietnam. This strong position is reflected in the series of regular 'consultancy group meetings' between the government and foreign donors to review public policies and donor support.

It is clear from the above analysis that the PPRIs can influence policy formulation either by contacting policymakers directly or by communicating and establishing linkages with strong opinion leaders.

### *3.3. What do the stakeholders need from the public research activities?*

Policy stakeholders recognize the importance of strong PPRIs for the policy-making process. In theory, PPRIs are expected to provide innovative policy options and a sounding board for new approaches. These expectations are reflected in the mandates of the institutes attached to the ministries, as they are involved in the preparation of development strategies and master plans that cover general policy orientations. In addition, few PPRIs are also directly involved in 'hands on' policy formulation, e.g. when the government assigns a research institute with a leading role in drafting laws and regulations, such as the case of CIEM's role in drafting the Enterprise Law.

As the regulatory documents are usually prepared by the departments of the ministries, what do the civil servants in these departments require from the PPRIs? Normally, they expect the PPRIs to provide evidence or materials that support their ideas

or objectives. Confrontational input from PPRIs is not always welcomed and this can go so far as policymakers sometimes strongly rejecting research findings that are contrary to their own objectives. However, the general attitude of policymakers towards the research community is that it is too scientific, too academic, with too little practical relevance. Vietnamese policymakers today still rely more on experts in government agencies or on 'wise men' they can trust and can control directly, rather than on input from the research community.

The media is also in need of the research results, especially from policy-oriented studies. The interest of the media is reflected in the active participation of journalists at workshops disseminating the research results. The main findings of good research have been quoted frequently in the newspapers. These quoted findings indicate that what the media needs from the PPRIs are: added value, impact, relevance, and a simplified presentation. However, the general demand from society for policy research results is limited because society has an interest in understanding policy implementation rather than the policy-making process and because research results are often too complex to present to the general public.

The foreign community in Vietnam has a relatively high demand for public policy research results. In recent years, more and more foreign-funded research projects have been conducted by the PPRIs. This participation helps to improve the capacity of the PPRIs in conducting research as well as preparing policy advocacy reports. Obviously, high quality and effectiveness are the major requirements from the foreign donors. However, in comparison with research results of foreign institutions, there is a relatively low confidence in the independence of research results from Vietnam, especially from ministry-based research institutions. Since the start of *doi moi*, foreign donors have contributed expertise and financial resources to public policy research and have also introduced innovative research issues to the government as well as to the Vietnamese research community. As a result, they have become active players on both the demand and the supply side of public policy research.

### *3.4. Policy-making structures and processes*

In addition to the policy stakeholders, the policy-making structures and processes also determine the demand for public policy research. The Law on Procedures for Regulatory Documents of 1996 regulates the process. Accordingly, the preparation of laws, ordinances and decrees includes the following steps:

- review the implementation of the laws; assess the existing regulatory documents relating to the legislation project; survey and assess the current situation of the social relations concerning the main contents of the project;
- study information and materials concerning to the project;
- prepare an outline, edit and correct the project;
- consult the related organizations, institutions, individuals through the appropriate fora, depending on the characteristics of the project;
- prepare the documents to be submitted to the competent bodies;
- prepare, in cooperation with the related organizations, institutions, and individuals, the implementing and guiding documents.

The above process for the preparation of regulatory documents indicates that there is a large field where research activities can contribute. However, such contribution depends on the editorial committee as well as on the capacity of the PPRIs. Frequently claims are made that editorial committees send draft documents far too late for proper consultation or simply to not properly take into account comments and suggestions made by PPRIs.

## 4. Analysis of the Supply Side

### *4.1. How do the PPRI influence policy formulation?*

This question is answered through an assessment of the channels that the PPRIs use in communicating with the policymakers.

*Internal reports via government channels:* As mentioned above, almost all PPRIs in Vietnam operate under the authority of various government agencies; therefore, the common way to exert their influence has been through internal reports. They may submit research papers, policy analyses, and recommendations to policymakers on various levels of government. Depending on the position of PPRIs in each specific policy area and within the ministerial structure, they can influence policies by making use of their key positions in the government, by providing expert knowledge in regional or technical matters, or by making use of personal relations with senior government officials.

*Conferences and public policy debates:* Another important channel for PPRIs to convey their opinions is through conferences. Although these conferences and debates may not necessarily have a direct impact on policymakers, they do carry weight in influencing public opinion. Public policy debates have been recently introduced to public television, but they remain somewhat limited and frank discussions are very rare. Rather, these public debates seem almost to be staged, resulting in a false sense of understanding among the public.

*Informal consultations with policymakers:* This channel is not strong enough in the Vietnamese context as almost all PPRIs are state agencies, which follow official communication lines.

#### *4.2. What are the main weakness of the PPRI?*

*Test of the hypothesis 1: the weak connection between research and training.*

Until recent years, research institutes have not had any training functions.

- Due to unattractive compensations, researchers do not have an interest in training. Senior researchers participate in training for symbolic purposes only.
- Research results are not used by training institutions.
- The Vietnamese university system contributes only very little research, particularly in the field of public policy. The Ministry of Science and Technology reports that in the



period from 2001 to 2005 research institutions have conducted 66.37% of all research projects, universities have conducted 14.62% and the corporate sector 19.01% of all research projects.

- The university system is overburdened by large numbers of students. Faculty development lags behind the rapidly increasing number of students. For example, some instructors of the University of Technology in Hanoi have to teach up to 3-5 times of the standard workload.<sup>2</sup>

*Test of the hypothesis 2: the weak connection between research and the policy making process.*

- Traditionally, all research institutions are classified as scientific institutions. Even research on public policy issues is considered to be a scientific activity, which underscores the general attitude of irrelevance and impracticality of research results.
- The research institutions are unable to provide the type of policy advice the leadership needs to adequately formulate policies.

At an agricultural research conference in May 2005, the former head of the Institute of Agricultural Economics complained that he had worked with three consecutive Ministers of Agriculture and Rural Development, but the Institute had never been requested to give policy advice to the Ministers. The response from the current Minister, Cao Duc Phat, was that the type of advice that Institute offered was not helpful enough. Instead of providing quick and concise advice whenever needed, the research community always required several months before providing an academic and scientific report of several hundred pages.

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<sup>2</sup> Note of Professor Hoang Ba Chu, Rector of Hanoi University of Technology, at the National Conference on Science Research, March 10, 2005 (VNExpress, March 11, 2005).

- Because the research community often fails to respond to the needs of policymakers, policy advice is often drawn from experts within the ministerial departments, which are, in turn, often influenced by interest groups.

An example is the advocacy by interest groups from the automotive industry. At a conference in 2003 on the master plan for the automotive industry, a representative of the Ministry of Industry stated that the Ministry was continuously receiving contradictory policy advice and petitions from different groups. For example, a suggestion to tighten the localization regulation of automobile manufacturing was followed by another suggestion to slow down the localization progress. Each recommendation came with its own in-depth analysis of rationales and consequences of the policy.

In 2005, the international consulting firm WCI dispatched to the Ministry of Industry a free consultancy report of 50 pages on Vietnam's strategy for the automotive industry after WTO accession, including nine recommendations. Ministry officials clearly put the objectivity of the document in doubt.

*Test of the hypothesis 3: the weak connection between research institutions.*

- Cooperation between research institutions is not strong, mainly because each institute pursues tasks assigned and funded by its respective ministry. Cooperation with researchers outside of ministries is limited and based on personal relations and individual reputation.
- In some rare cases, cooperation is good if the funding institutions requests specific cooperation to conduct research on cross-cutting issues.

*Test of the hypothesis 4: lack of independent analysis.*

The heads of research institutes, especially those operating under ministries, are appointed by the ministries and have their long-term career paths within the ministries. This affects their

capacity for critical and independent analysis, which might go against the agreed policy and the interest of the ministry. The ability to conduct such independent analysis is also affected by the fact that the funding is provided by the ministry itself. Data from 2002 shows that over 50% of all research was financed from ministerial budgets. As every ministry has its own institutes, it is rare that they provide funding to 'outsiders'.

*Test of the hypothesis 5: the brain drain problem has weakened the capacity of research institutions.*

It is easy to observe in representative offices of foreign organizations in Vietnam that a significant percentage of local senior officers are drawn from the government system and the research community. In addition, the boom of the private sector in Vietnam during the past decade has also drawn skilled human resources away from state institutions.

In recent years, the Economics Institute in Ho Chi Minh City, for example, has been facing a dilemma: highly skilled senior researchers are assigned a heavy workload from state projects and official duties. They have little time to participate in other activities which often provide better income. As a result, many of them leave the institute. Those with fewer skills and less seniority are more likely to stay in the system, since they have fewer opportunities to move to other jobs with greater challenges and better income.

The *VietnamNet* online newspapers is currently organizing a forum to discuss if skilled researchers are willing to return to their home institutions after acquiring advance training abroad. Four reasons are quoted for not returning: (1) the unproductive working environment; (2) the difficulty to harmonize new idea with the old community; (3) the inability to have independent voice; and (4) the inadequate level of compensation.<sup>3</sup>

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<sup>3</sup> <http://vietnamnet.vn/giaoduc/2005/07/470259/> - The need to have new thinking on using human resources.

*Test of the hypothesis 6: the type of funding has a strong impact on independence and quality of research.*

- As mentioned above, researchers with funding from one ministry often have a limited ability to voice dissenting opinions on current policies of the funding ministry.
- In provincial research institutes, the terms of reference sometimes, implicitly or explicitly, preclude the outcome of the research project.
- In principle, funding from foreign donors should help to create a good level of independent research. However, besides some small research projects, most research projects are conducted in cooperation with government institutions, which affects the level of independence.
- In principle, the funding for a research project will be paid in full if the quality research outcome is satisfactory. In reality, all of the research is always satisfactory. This generates a sense of moral hazard in the community.

*Test of the hypothesis 7: research activities are not equally distributed between the north and the south of the country.*

The majority of research institutions belong to ministries and other central governmental agencies. As a result, the research community is, to a large extent, based in Hanoi. In the past, limited resources as well as strict control of expenditure in government-funded projects (travel allowance, per diem, etc.) were constraints that discouraged researchers to propose projects in the south of Vietnam.

As a consequence the northern part of the Vietnam has been able to develop a stronger and larger research community. The establishment of linkages between the research community in Hanoi and other provinces in the north helps the research projects in this area to be relatively more convenient and cost efficient.

Links between the research community and contacts in northern provinces are reinforced by school alumni and informal connections. (Universities in Vietnam, even those which nominally have a nationwide scope, remain focused on one particular region. Students in the north tend to apply to universities in the

north and then work in Hanoi or other northern provinces. Similar patterns are found in the south of Vietnam.)

Nowadays, even though the cost of travel is less of a constraint, the strong focus on the northern region remains an incentive for the research community in Hanoi to propose research projects in the north.

For example, in the last two decades Binh Duong province has become the best case of economic development in Vietnam. It began as one of the poorest provinces in Vietnam, with virtually no advantages in location, infrastructure, human or natural resources. Very quickly, the province developed an effective combination of foreign and domestic private industry. The industrial output has increased from almost nothing to 58% of provincial GDP. Binh Duong is the first province in Vietnam with an industrial output surpassing 50% of GDP.

The province often receives delegations from other provincial governments. However, a visit of one or two days is normally not sufficient to draw a comprehensive policy lessons from the past twenty years of development of the province. Instead, the visitors often try to find excuses why their provinces fail to follow the example of Binh Duong.

However, the leadership of the province has received little attention from research community, although it would serve as an excellent case to study economic development, investment promotion, industrialization, poverty reduction, job creation, immigration, etc. It would require a properly funded in-depth study, in order to gain insight into the province's success and to derive realistic policy implications and good practices for other provinces. So far, the success of the province still largely remains a mystery to policymakers of other provinces in Vietnam.

Compared to institutes under the central government, provincial research institutes often have stronger influence on

the policy formulation process of the local government. One example is the Economics Institute of Ho Chi Minh City. It started off as an office for regional planning and, in 2000, it merged with the Economics Bureau of the city's Communist Party organization and eventually became a source of unbiased advice for economic and public policy issues for both the local Party structure and People's Committee. The Institute has the mandate to assist the local policymakers with drafting regulatory documents as well as to provide timely analysis and advice.

Some research organizations have established an effective channel to communicate with policymakers by using brief and practical information. An example is the monthly publication of the Information Center for Agriculture and Rural Development (ICARD) and the Industrial Policy and Strategy Institute (named "Information for the Leadership").

## 5. Conclusions and Recommendations

This study has outlined a broad view of the system of PPRIs in Vietnam. Although the system has been significantly improved since *doi moi*, many opportunities for further improvement remain. We have found that most of the current constraints relate to the institutional setting rather than to the legal and regulatory framework or the shortage of investment. The following recommendations are presented for discussion:

There is an urgent need to improve the communication between public policy research institutions and policymakers during the process of policy formulation. The initiative for such improvement should come from the side of PPRIs, and the research community needs to be proactive in diversifying the communication channels (Internet, information pamphlets, concise summaries, brief reports, etc.).

The dissemination of research results must be improved. Currently, the dissemination has to follow the Journalism Law, the Publication Law and other laws and regulations, which would allow a wide dissemination. However, the publication of public policy research results is often limited to the research

community and does not attract the attention of public as the documents are considered too esoteric and complicated. Most research projects are accompanied by seminars to report and discuss the results, however the quality of seminars is a problem, as the interest of participants is often minimal - and in some cases they even have to get paid to attend the seminar. The quality of discussions is also low, because either participants are not well prepared or do not want to express criticism.

The exchanges between public policy research and training must also be improved. The benefit of such exchange and cooperation is obvious, but cooperation between the two sectors is now mostly limited to informal contacts between individuals. Cooperation should be upgraded to an institutional basis and should become a requirement set by funding institutions for supporting PPRIs.

A 'center of excellence' should be set up as a model to pilot the development of modern research institutions. Several characteristics of such a model should be explored, such as: (1) autonomy from any administrative influence or interest of a specific sector; (2) cooperation between research and training to ensure the effective dissemination of research; (3) cooperation between domestic and foreign individuals and research institutions; (4) a high level of compensation in order to attract and retain highly skilled personnel; and (5) high quality research that can improve the influence of the center itself as well as of the research community, domestically and internationally.

In addition, a model network could also benefit the system in many aspects, including: (1) effectively gathering individuals and institutes in order to initiate and conduct research on cross-sector issues; (2) gathering and exchanging information, data, and literature in order to effectively target resources; and (3) transferring best practices from one institution to others.

# A View from Abroad: The Korean Experience in Developing Public Policy Research<sup>1</sup>

Jongryn Mo

## 1. Introduction

The quality of public policy has been one of the key ingredients of the Korean economic model. In explaining the role of policy research, scholars have focused on the nature of institutional arrangements that enabled political leaders to choose and implement efficient public policies. Since Chalmers Johnson, the collection of those institutions has been known as “the developmental state.” The three distinctive institutional features of the developmental state are business-government cooperation, bureaucratic autonomy and capacity and authoritarian rule (Amsden, 1990; Wade, 1990; Onis, 1991; Moon and Prasard, 1994). Under these institutions, Korean political leaders were able to receive quality policy advice from their bureaucrats.

But this simple story begs the question of what made bureaucrats capable of providing quality policy advice. One line of research points to the role of think tanks. The bureaucrats relied on government think tanks for the policy research that they needed to formulate effective policies.

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<sup>1</sup> The author would like to thank Sang-Woo Nam, Chun Hongtack and Wonhyuk Lim for guidance and comments.



From this the interesting question then arises what the government actually did to design and manage an effective policy research system in Korea. Answering this question involves more than a historical narrative; we must analyze the Korean model from a general theoretical perspective. To this end, I introduce a set of analytical frameworks for explaining the configuration and performance of different policy research systems. Unless we study the Korean in the theoretical context, it is not possible to understand what was unique about the Korean experience and more importantly, what made it successful. In telling the Korean story, the study pays particular attention to the Korea Development Institute, which has maintained its position as the center of excellence since it was founded in 1971 and served as a model for think tanks in other developing countries. The KDI case shows how to govern a think tank as well as how to design an effective governance system around think tanks.

## 2. Analytical Frameworks

There are three basic analytical issues concerning the type and performance of a policy research system. First is the question of how favorable the policy environment is for quality policy research in a given policy area; the idea is that unless environmental conditions change, there is a limit on what organizational reform can do to improve the quality of a policy research system. The second issue is how to organize and configure a policy research system, given a specific policy environment. Key decisions to make include (1) whether to set up one comprehensive think tank or have different organizations for different policy areas, and (2) how to link research and training functions. No matter how unfavorable the environment may be, it is still worthwhile to design the best possible organizational arrangement. The third issue is what the government can do to make its think tanks perform better. Economics provides useful frameworks for addressing each of the three issues.

### *2.1. The Market for Public Policy Research*

How would economists analyze the amount and quality of policy research in a given sector? They would consider research output as a good, policymakers as consumers, and think tanks as producers. The key normative question for economists is then whether the existing level of policy research is socially optimal. In most developing countries, it is fair to say that policy research is under-supplied, i.e., produced at a level lower than socially desirable. Causes of the under-supply lie both in the demand and supply sides.

On the demand side, policy may not be very important to political leaders and policymakers. The end users of policy research are politicians because they use them to make policy decisions. If policy outcomes are not important to politicians' interests, they do not have much demand for policy research. For example, if policy is not an important determinant of electoral outcome in a democracy, politicians whose main interest is winning elections would not seek policy advice or research. Unfortunately, this is precisely the situation in many under-developed countries. Therefore, in analyzing the environment for good policy research in any given sector, it is important to evaluate the degree to which political leaders (and policymakers) are held accountable for their policy performance.

The demand for policy research by political leaders also depends on the degree to which they favor the policy-based rather than politics-based style of governance. A variation in policy responsiveness can be found even among authoritarian leaders. Historically, we can identify many authoritarian leaders who can be called 'policy wonks' in today's jargon. Lee Kwan Yew and Park Chung Hee are some of the more prominent examples.

Another problem on the demand side is that political power, i.e., the authority to make policies, is so concentrated among a few political leaders that the number of people who need policy research is small. Compare federal with non-federal systems. The number of political leaders with demand for policy research would be much higher under a federal system than under a non-federal system simply because the former gives more people more real authority than the latter.

It is wrong to assume that only government think tanks are the producers of policy-relevant research. Traditionally, it is the bureaucrats who are the main sources of policy advice to political leaders. To the extent that good policy advice requires good policy research, it is inevitable that a large part of bureaucratic work involves some type of research. There are also other non-governmental sources of policy research. For example, aid agencies, international organizations, universities, private sector think tanks, and research-oriented NGOs are important producers of policy research. Therefore, in designing a policy research system, political leaders need to decide what types of research government think tanks will conduct and what types they will outsource to or rely on bureaucrats and non-governmental organizations.

Nevertheless, government think tanks, which are the focus of my analysis, are expected to be the main producers of policy research. As suppliers of policy research, think tanks are influenced by supply side variables, i.e., the cost of inputs as well as the efficiency with which they are used. Inputs for policy research such as funds and researchers are scarce and expensive in most developing countries.

Because of weak government finances and private sector under-development, it is difficult for think tanks to raise funds in almost all Third World countries. Neither do most developing countries give tax incentives for charity and donations. A rigid labor market is another barrier to attracting qualified researchers to think tanks. In most developing economies, the labor market is segmented, so once researchers start working for a think tank, they cannot expect to move to other jobs later.

Skills involved in managing think tanks may be another constraint on the production of quality research. Management know-how may be especially lacking in new democracies or transition economies.

Another supply-side problem in developing economies may be access to information. In developing countries, government think tanks often dominate because of their access to the information

held by bureaucrats. To encourage the development of private-sector think tanks, it is important to introduce legislation such as the Freedom of Information Act in the United States or the Information Disclosure Law in Korea, which allows individual citizens and NGOs to request data and information from government agencies.

The market analogy for a policy research system presents a useful framework for understanding the basic incentive structure of the system. But a policy research system cannot be organized as a market. There would be simply too many market failures in a market for policy research. First, there are certain scale economies for policy research production, making small developing countries incapable of supporting a large number of think tanks. Second, policy research is largely a public, not a private good. That is, once policy research is produced, there is no way of preventing others, consumers or producers, from gaining access to it. Thus, private-sector think tanks have little incentive to produce at a socially optimal level because they cannot capture all the subsequent social benefits. In many developing countries, the weak tradition of intellectual property thus works to discourage development of new ideas because inventors are not properly credited or compensated.

## *2.2. Organization and Design of Policy Research Systems*

Because the market alone is not capable of producing necessary policy research, it is almost always the government's job to design and organize a policy research system in a given policy area.

Areas of policy research should be defined functionally. For example, economic policy, social policy, science and technology, and foreign policy constitute the broadest categories of policy research. In each policy area, there are sub-areas of research. In economics, for example, typical sub-areas are labor, public finance, international trade and finance, welfare, and banking. In thinking about a policy research system in the realm of economic policy, policymakers must decide how to organize think tanks along the sub-areas of research.

We now turn to economics again for useful concepts that we can apply to this 'industry-level' problem. The first important concept is scale economies. "Economies of scale exist when the production cost of a single product decreases with the number of units produced; economies of scope are cost-saving externalities between product lines" (Tirole, 1988).

If policymakers want to take advantage of economies of scale in the production of policy research, they should not assign more than one think tank to each sub-area. An interesting question becomes how to bundle sub-areas to exploit possible economies of scope. Some of the natural combinations are taxation and budget, international trade and finance, and banking and macroeconomic policy. There are also some new combinations that are becoming popular; in Korea, for example, education and national human resources management are considered desirable pairs with synergic effects, on the basis of which the government created a new Ministry of Education and Human Resources Development in 2002.

One research sub-area of any research area is synthesis and coordination, and this synthesizing function should be performed by either an existing sub-area think tank or a separate synthesizing think tank. The KDI can be understood as such a synthesizing think tank, meeting the demands of multiple ministries in multiple sub-areas.

Another important concept is competition. Even where there are scale economies in the production of policy research, economics tells us that it is desirable to have more than one think tank in any given area of policy research.

One way to ensure some level of competition in a given policy area is to establish one comprehensive think tank so that it can be relied on as an alternative source of policy advice on the output produced by sub-area think tanks. This comprehensive think tank can also act as a center of excellence to which most important area-wide research projects are assigned. Since this model features one comprehensive think tank plus one think tank in each sub-area, it can be called the '1+N' model. Alternative mod-

els are the unitary model, where all policy research in a given area is centralized under one organization, and the N\*N model, where there are multiple think tanks in every sub-area.

Often, boundaries of policy research follow those of bureaucratic jurisdiction, not objective functional criteria. But the principles are the same even if political leaders try to organize think tanks along jurisdictional lines. They still have to decide how many think tanks to assign to each ministry and whether to create a comprehensive think tank covering several ministry jurisdictions.

### *2.3. Mechanisms of Incentives and Discipline*

Because of institutional inertia and bureaucratic politics, it is often difficult to abolish or merge existing organizations. Thus, to improve the performance of think tanks, political leaders will have to rely on incentive arrangements instead of 'industry-level' reorganization. That is, how can existing organizations be changed to work better? Here, agency theory can provide many useful insights. Agency theory emphasizes the importance of external and internal discipline in aligning the incentives of agents (which are government think tanks in this case).

In a market, the market decides who the winners and the losers are. What is efficient about the market is that the losers are forced to leave the market. With government think tanks with little competition from the market, the only external source of competition and thus, discipline may come from other government think tanks. Thus, it is important that there is more than one organization with expertise in a particular policy area.

The government (or political leaders) can also exert discipline through more direct measures. The government can choose from many different supervisory arrangements. It can put government think tanks under the control of minister, vice-minister, independent commission or even the head-of-state. It can also decide whether to subject a think tank to review by one or multiple supervisory organizations.

The government can also tie institutional performance to budget and individual salaries. To provide strong incentives, the government can give market-rate salaries to researchers. Some governments have gone further by offering salaries higher than prevailing market rates.

The government should also decide how much autonomy to give to its think tanks. The key issue here is academic freedom. The long-term success of a think tank depends on the quality of its research, and it is not possible to attain it without meeting internationally recognized professional standards. Equally important to professional integrity is internal organization culture. A think tank cannot properly function without open communication and debate among its members.

### 3. The Korean Experience

#### *3.1. The Evolution of the Korean Public Policy Research System*

The bureaucracy has always been the main source of policy advice in Korea. But their role has been transformed through several stages. In each stage, new policy research organizations emerged to support or compete with bureaucratic agencies in policy research. During the 1960s, the bureaucrats dominated domestic policy advice. Their only competitors were external aid agencies.

##### *3.1.1. Ministerial think tanks (1971- )*

In the early 1970s, industrialization accelerated. Korea was moving into heavy and chemical industries after successfully developing light manufacturing industries throughout the previous decade. Reflecting the changing industrial structure, there was a change in the nature of the policy advice demanded. At the working level, too, there was a growing recognition that economic planning should be based on the comprehensive and in-depth empirical research to promote the long-term public interest. As early as 1966, the need for a think tank was raised among poli-

cymakers when they were preparing the second Five-Year Economic Plan (1967-1971).

In response to the demand for think tanks, the government established the Korea Development Institute (KDI) in 1971 as a semi-official think tank under the Economic Planning Board. The funds came both from the United States and the Korean government. USAID allowed the Korean government to divert 1.3 billion won from the foreign aid account to the KDI endowment fund and provided additional 1.3 million dollars to support various KDI programs. The financial contributions by the Korean government amounted to 500 million won.

At first, the KDI was the government's only economic policy think tank. Over time, however, the scope of KDI research decreased as other government agencies created their own think tanks, taking relevant research departments away from the KDI. In terms of policy coverage, it can be said that the original KDI has been divided into multiple independent think tanks. This process began in 1976 when the Ministry of Trade and Industry created the Korea Institute for International Economics, which later became the Korea Institute for Industrial Economics and Trade (KIET), followed by the creation of the Korea Rural Economic Institute by the Ministry of Agriculture and the establishment of the Korea Research Institute for Human Settlement by the Ministry of Construction in 1978.

Bureaucratic politics was one factor in the subsequent growth of ministerial think tanks. But changing research demands also played a role. As the Park government began the Heavy and Chemical Industries Drive in the mid 1970s, the demand for industry-level analysis and research grew, prompting the establishment of the KIET.

By the early 1990s, concerns grew over the number of ministerial think tanks; by then, it became common that each ministry was supported by multiple think tanks. According to my typology, the Korean policy research system moved from the 1 model to the 1\*N model rapidly and was moving in the direction of the N\*N model.



The proliferation of ministerial think tanks became subject to public criticism. First, there were jurisdictional overlaps. Although the overlaps can, in theory, be a means to increase the supply of alternative policy ideas, in Korea they reflect the bureaucratic desire to expand jurisdiction and secure resources rather than to offer new policy ideas. Second, they were used to support government intervention in the economy. Third, ministerial think tanks were criticized for being inefficient.

In 1998, the Kim Dae Jung government made a serious effort to reform the policy research system. Among the alternatives proposed at the time were the return to the 1 model, the merging of ministerial think tanks along functional areas, and the consolidation of think tanks within the ministry. In the end, the status quo prevailed in terms of the number of think tanks. Supporters of the status quo argued that it was important to make alternative views available to policymakers and more than one think tank in a given policy area was necessary to generate alternatives; because of the Korean organizational culture, which tends to be dominated by the top leader, it would be unrealistic for one think tank to present alternative options to policymakers. Instead, the government decided to change the governance structure of ministerial think tanks. Instead of having separate boards for each think tank, which had been the practice at the time, it created a single board, called Korea Council of Economic and Social Research Institutes, to supervise all ministerial think tanks in economic and social policy areas.

### *3.1.2. Private sector think tanks (1981-)*

1979 marked a watershed in Korean history. President Park Chung Hee was assassinated in October of that year. 1979 was also the year when the government began to stabilize the economy after realizing the costs of the Heavy and Chemical Industry Drive. The new Chun Doo Whan government embraced this change of policy and made economic stabilization and liberalization its top priority. As the government began to rethink its role in the economy, the private sector saw an opportunity to have its own input into policy. In 1981, the Federation of Korean Industries, a main lobbying group for business, created the

Korea Economic Research Institute (KERI) as an alternative source of policy advice to promote business interests and perspectives. Individual chaebol groups followed suit by setting up their own in-house economic think tanks, Daewoo in 1984, and Samsung and LG in 1986.

Although not fully private in nature because of their vulnerability to government influence, think tanks affiliated with industry associations, especially in the financial sector, also arose around this time. Industry associations, such as the Korea Association of Commercial Banks who established the Korea Institute of Finance, thus became active in the market for policy ideas.

### *3.1.3. Democracy Movement and Civil Society Groups (1985- )*

Trends in civil society since the mid-1980s provide another factor for observation. In the mid-80s, Korea had a strong pro-democracy movement, led by unions, churches, students and dissidents. After Korea made the transition to democracy in 1987, a large number of pro-democracy groups and activists turned their attention to civil society issues such as the environment, anti-corruption, political reform and economic justice. The Citizens' Coalition for Economic Justice and the People's Solidarity for Participatory Democracy have been the most successful in pushing reform agendas to the fore. It is fair to say that though bureaucrats and their think tanks continue to dominate policy advice, there have been serious challenges from NGOs and private sector think tanks since the transition to democracy began in the 1980s.

Table 1:  
The Evolution of the Korean Public Policy Research System

	<b>Developmental State (1971-)</b>	<b>Democratizing (1987-1996)</b>	<b>Democracy (1996-)</b>
<b>Leadership priorities</b>	Economic growth	Economic growth & social welfare	Economic growth, economic justice, balanced development
<b>Place(s) of policy initiative</b>	Ministries	Ministries Presidential commissions	Ministries Presidential commissions
<b>Main producer of research</b>	The comprehensive think tank (KDI)	Ministerial think tanks	Ministerial think tanks
<b>Competing providers</b>	Few	Chaebol think tanks & NGOs	Chaebol think tanks, NGOs, Ideology-based think tanks

### 3.2. An Analysis of the KDI Model

The leading actor in the Korean story remains the Korea Development Institute. The turning point in the development of the policy research system in Korea was the creation of the Korea Development Institute in 1971, which has not lost its position as the premier economic think tank in Korea ever since. It has also won international recognitions; *The Economist*, for

example, rated KDI as one of the most influential think tanks in the world in 1986. If the Korea Development Institute or the policy research system built around it was a success, it begs the question of why. The theoretical frameworks developed in Chapter 2 give us a few clues.

One possibility is that environmental factors for successful government think tanks were favorable in 1971. The first positive factor was the availability of quality researchers; because of social emphasis on education, many students had gone abroad to pursue advanced degrees and by 1971, there were enough foreign-trained economists working abroad that the government could approach. Also present was a strong and capable bureaucracy; without capable bureaucrats, who use policy research to provide policy advice, good policy research cannot be turned into good policy decisions.

Demand conditions were also favorable. President Park put economic growth on the top of his agenda; poverty eradication was the number one of his 10-point public pledge after leading a successful coup in 1961. Economic growth was to substitute for the weak democratic legitimacy of his regime as well as to increase the legitimacy of South Korea vis-à-vis the communist North. According to this view, potential threats to his regime, both internal and external, motivated President Park to pursue economic growth.

President Park's governing style facilitated the development of think tanks. Perhaps because he was familiar with the Japanese experience, he thought it necessary to build a strong economic planning machinery and created a pilot agency called the Economic Planning Board (EPB) in 1961. The KDI came naturally as a part of his effort to strengthen the EPB in the early 1970s. His intellectual approach to policy-making should be noted; he took economic issues seriously and actively participated in policy debate with his advisors.

Relatively little is known about why the Park Chung Hee government decided to establish a centralized and comprehen-

sive think tank instead of multiple sub-area think tanks. One reason was clearly a budget constraint; most of the initial KDI funds came from the United States and it was probably impossible to secure additional funds even if the Park regime desired another think tank at the same time. The fact that drafting five-year economic plans was the most important policy task at the time strengthened the case for a comprehensive think tank.

The success of the KDI can also be attributed to its unique incentive system. KDI, which began with a large endowment, has always received large funding from the government. At the individual level, too, the government gave special treatment to the KDI. In addition to above-the-market salaries, KDI fellows were provided with various perks such as chauffeur-driven cars, secretaries, personal research staff, and apartments.

The governance structure was also interesting. Officially, the EPB oversaw the KDI by appointing its president and approving its budget. But the relationship between the EPB and KDI was not one-sided; the KDI maintained a high level of autonomy. One reason was that the president himself took a personal interest in the management of the KDI, which enhanced KDI's prestige and helped KDI gain a degree of autonomy from the ministry.

Ultimately, it was the quality of research produced by the KDI that solidified its position as a center of excellence. In this regard, the leadership of the first president, Kim Man-Je, was instrumental. To maintain an open and democratic communication culture, he kept the size of the KDI deliberately small, minimized the internal bureaucracy, and insisted upon staying in the core competencies of comprehensive economic analysis. In the process, he had to clash with the government to fight government pressures to take over other government think tanks and take on more research areas. One indication of this focus on organizational coherence is that the KDI has always been reluctant to hire non-economists even as the demands for social and political research mounted.

3.3. The Evolution of the KDI Model

Table 2: KDI: Old and New

		The Classical KDI Model	Post-1999 KDI
<b>Supervisory Structure</b>		Own board	Korea Council of Economic and Social Research Institutes (KCESRI)
<b>Relationship with the Ministry</b>	<b>Budget</b>	100% direct support	50% exclusive contract and 50% open competition
	<b>Research Agenda</b>	Close consultations	Ministerial consultations Board coordination Open solicitation of research topics
	<b>Appointment</b>	De facto ministry appointment	Public solicitation of applicants
	<b>Report Presentation</b>	Coordination with the ministry	Compliance with evaluation guidelines
<b>Relative Compensation Level</b>		Extra-market	Market
<b>Mechanisms of Incentives and Discipline</b>	<b>Institutional</b>	Opportunities for promotion	Project outsourcing (bidding) Performance-based budget allocation
	<b>Individual</b>	Promotion based on performance Pay based on contract research	Promotion based on performance Pay based on contract research
<b>Communication culture</b>		Open	Open

The biggest organizational change in the KDI took place in 1999 when the government placed KDI, along with all other ministerial think tanks in economic and social policy areas, under the supervision of a unified board, the Korea Council of Economic and Social Research Institutes (KCESRI). As a result, the relationship between the home ministries and the KDI radically changed.

Before the 1999 reform, the Ministry of Finance and Economy, the successor to the Economic Planning Board, was the main ministry that the KDI served. As the home ministry, the MOFE had strong influence on the budget, agenda-setting, appointment and report presentation of the KDI. After 1999, however, their relationship became much more indirect. MOFE is now one of the five ministries represented on the KCESRI even though it still works very closely with the KDI because most of the KDI work falls under its jurisdiction.

Under the new KCESRI system, home ministries directly fund only 50 percent of the research projects of their ministerial think tanks through exclusive contracts. Ministerial think tanks have to finance the other 50 percent in open competition with other research institutes including university and private sector think tanks. Because ministerial think tanks are forced to compete under the new system, a predictable pattern has emerged with a disproportionate portion of 'open bidding' funds going to strong think tanks. As expected, the KDI as the premier think tank has been the primary beneficiary of competition.

The selection process involving research projects has also changed. Although the KDI works closely with related ministries, other actors have become important sources of ideas. The KCESRI, for example, has the formal authority to review and approve KDI's research plan and does, in fact, ask the KDI to adjust its plans for various reasons. One of KCESRI's main concerns is to minimize research duplications among ministerial think tanks. In an effort to meet the demand of its consumers, i.e., academics, ministries, media and NGOs, the KDI sends letters to them, asking for their advice on future research projects.

Before the 1999 reform, the MOFE minister had the de facto power to appoint the president of the KDI. In the post-reform period, both the formal and actual appointing power has transferred to the KCESRI. When a position opens in a ministerial think tank, the KCESRI advertises the job opening and solicits applicants. Although the influence of home ministries is still significant under the new system, it is much more indirect and limited than under the old system.

Compared with the past, the KDI now pays much more attention to the presentation and dissemination of research outputs. One reason is that KCESRI places strong emphasis on the impact and utilization of research outputs when it evaluates the performance of ministerial think tanks. KCESRI evaluations are not a formality; they are an important determinant of entire think tank budgets as well as the salaries of think tank presidents. Another reason is that the KDI's constituents are no longer an exclusive club of bureaucrats and other policymakers. In a democratic environment, there are many social actors with a stake in KDI research, such as business, NGOs, and politicians, so the KDI needs to satisfy their demands.

The individual incentive structure has not changed as much. The KDI has always evaluated its fellows on a systemic basis, and allowed fellows to be personally rewarded for winning outside contract research projects. KDI leaders were also aware that if top researchers were not properly rewarded, they would leave for other career opportunities in the government or academia; this 'threat of exit' may have been as important to the success of the individual incentive system as the merit-based promotion policy. The difference now is that the KDI as an institution relies much more on contract research projects, so there are more opportunities for fellows to increase their individual income. Under the new deregulated market of contract research, the KDI has benefited the most, raising the salaries of fellows above those of university academics.

One area where the old tradition remains is organizational culture. KDI has always fostered an open and democratic organizational culture, and it remains largely intact.



As the KDI stands now, it has regained much of its old prestige. Although KDI's position as the premier think tank has never been seriously challenged, it hit a low point in the late 1980s and early 1990s. Many fellows left KDI for university jobs as universities caught up with KDI in salary level and the competition from other ministerial think tanks weakened the KDI's dominant position. But the economic crisis of 1997 gave the KDI another opportunity to lead policy reform, the role that it performed successfully. The 1999 institutional reform also opened new financial opportunities for the KDI and KDI fellows, making university jobs relatively unattractive. As a result, the turnover rate has declined significantly in recent years.

As a result of the 1999 reform, the management of ministerial think tanks has changed in important ways. As we have seen in the case of KDI, ministerial think tanks have become more independent of their line ministries, faced more market pressure, and become more conscious of accountability to the general public. The effects of the 1999 reform may not be altogether positive. As outside research projects, many of which are funded by the private sector, have become more important as a source of revenue, the research priority of ministerial think tanks has also shifted toward management research away from policy research.

#### 4. KDI Lessons

Is the KDI model relevant for other countries? The answer is no if we focus exclusively on environmental conditions. No two countries face the same conditions, and every country would be clearly different from Korea in the 1960s or in the 1990s. We may conclude that the KDI model cannot be transplanted into another country if we pay attention only to conditions favorable to the development of the KDI such as leadership, a strong bureaucracy, and the support of aid agencies. But even in the presence of these conditions, the success of the KDI was not guaranteed or inevitable. For each favorable condition, we can cite an equally significant negative condition. Neither is it right to claim that the KDI represents a universal model; there is no one model right for everyone, every time.

Nevertheless, there seem to be several lessons that we can glean from the KDI to generalize. First is the importance of institutional and individual incentives. At the individual level, the KDI has been a leader in developing a financial and performance incentive system. At the institutional level, too, the KDI has often been rewarded with access to top policymakers, resources, key national research projects, and senior government positions for fellows and presidents.

The second lesson is the importance of organizational culture. Incentive systems would not have worked without the KDI's open and 'liberal' organizational culture. This culture, in turn, is not an accident. From the first president on, KDI leaders have deliberately kept its organization small, horizontal and exclusive to nurture and support an open organizational culture. The KDI organizational culture has also been instrumental in maintaining the quality of KDI research by allowing the strict internal review of research papers and proposals. Like excellent private sector corporations, KDI seems to have developed cultures that have incorporated the values and practices of pioneering leaders, which have survived for decades even after the passing of the original leaders (Peters and Watterman, 1982).

At the same time, it is important to emphasize non-economic factors. As a center of excellence, the KDI has always been a place with strong institutional pride and autonomy. That is, non-financial recognitions have been as important to KDI success as financial rewards. In retrospect, it is inconceivable how the KDI would have developed such a strong institutional identity without being recognized exclusively as a center of excellence by top leaders.

Finally, it should be noted that the three success factors, strong incentives, organizational culture and the recognition as a center of excellence, are not independent; rather, they reinforce each other. Strong incentives are necessary to support a desired organizational culture and the position as the premier think tank. An open organizational culture helps maintain a system of incentives and control quality. Lastly, the recognition as a center of excellence produces a strong desire to continue to succeed, which requires the continuation of best practices such as incentives and open communication.

In the light of the Korean experience, the choices available to the Vietnamese government can be summarized as follows:

1. Establish a new think tank or select one of the existing ones as a center of excellence (The classic KDI Model)
2. Merge existing think tanks under the same ministry into one (The N\*1 Model)
3. Merge existing think tanks under different ministries along functional areas (The Functional Model)
4. Group all think tanks in the same broad research areas and put them under a unified supervisory committee (The Post-1999 KDI Model)

Note that these models are not mutually exclusive. The Vietnamese government can combine different models to create a new model. For example, the classical KDI model is compatible with the other three models as long as one center, existing or new, is recognized as 'the first among equals'.

If Vietnamese leaders want to emulate the Korean model in its entirety, they can sequence reforms in two stages. In the first stage, one think tank will be elevated to the center-of-excellence status. Given the willingness of outside donors to help, the government will be able to mobilize enough resources to support one center of excellence. Depending on the progress of the first stage reform, the government can proceed to the second stage reforms where existing think tanks can be restructured along functional and ministerial lines.

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# Public Policy Training in Vietnam

Nguyen Dinh Tai

## 1. Public Policy in the Reform Process

### *1.1. Overview of the positive contributions of public policy to the reform process*

Over the past 20 years of the reform process in Vietnam, public policy research, formulation and implementation have changed in the course of the transition from central planning to the market economy and the country's regional and international integration. The socio-economic development brought about by the reform process has been marked by higher growth rates, political stability and rising living standards.

In the economic sphere, Vietnam has seen strong GDP growth, a sound monetary and fiscal system, active and open international economic relations and improved overall economic structures. Vietnam has also made important achievements in other sectors. Education and training have been noticeably developed in terms of scale, quality, methodologies and physical facilities. Modern science and technology research has been introduced, especially the application of biotechnology in agriculture and modern science and technology in industries and services. All these achievements have remarkably strengthened Vietnam's economic performance, competitiveness, and export efficiency.

However, these results have not yet fully met the requirements of socio-economic development. One of the reasons for this shortcoming is that the reform of the public policy formulation

process is still limited; it has not yet reached a critical turning point and does not appropriately take into account the new opportunities of economic globalization, especially the factors for creating a knowledge-based economy. Therefore, the influence of public policy as an internal resource is not as strong as it should be.

### *1.2. Existing constraints of public policy training*

The existing problems in public policy formulation and implementation in Vietnam stem from limitations in the existing level of skills as well as from the political ideology of civil servants. Both limitations are a result of the inadequate public policy training these civil servants have received.

Vietnam's public policy training programs do not pay attention to policy evaluation and, to date Vietnam does not have a standard public policy training program or a sufficient number of competent trainers. There is no unified public policy training system in order to ensure the quality of policy research and formulation. Furthermore, the linkage between public policy research and training is very loose.

An appropriate policy evaluation system for Vietnam should include the following basic features: (1) policy evaluation should be considered as an indispensable step of in the policy formulation process; (2) it must directly serve the clients; (3) it must maintain a very strict policy evaluation rule; (4) the evaluation must be planned; and (5) it must select an appropriate evaluation agency.

Based on the study of public policy research, formulation and training, an urgent need has been identified to improve the public policy training program, in terms of both content and teaching methods, in order to adapt it to the requirements of a market economy.

## 2. Public Policy Training in Vietnam: The Supply Side

### *2.1. The public policy training system and its institutions*

Vietnam currently has two systems governing and training its civil servants. These are:

- the system of agencies governing training of civil servants, which nominate civil servants to participate in training courses under the Ministry of Home Affairs (MOHA). The personnel departments of individual ministries and of provincial people's committees, as well as the personnel divisions of district people's committees are all part of this system.
- the system of training institutions, which organize training courses, including the National Academy of Public Administration, the Ho Chi Minh National Political Academy, training schools for civil servants under ministries, political training schools under provincial Communist Party offices, and political training centers under district Communist Party offices.

According to the data of MOHA, by December 2002, there were 1,529,825 civil servants paid from the state budget (excluding armed forces), of which 209,171 were government officials proper; 1,218,171 were other kinds of government officials such as researchers, teachers, doctors and nurses; and the remainder were personnel of legislative, the judiciary and of the Communist Party structure. Additionally, if one includes more than 200,000 personnel of district level authorities, the total number of civil servants nationwide increases to 1.7 million. The number of civil servants of provincial authorities of the 64 provinces at the end of 2003 was 109,461.

The same MOHA survey lists that during the period 1997-2000, 1,092,181 civil servants participated in training courses, including 147,249 participants in courses on political theory; 283,932 participants in courses on state management; 33,846 participants in economics management courses; 515,697 participants in courses for professional knowledge; 36,551 participants in English language courses; 68,617 participants in informatics courses; and 6,019 participants were sent abroad to study. Thus, on average 270,000 civil servants attended training courses annually, accounting for 18% of the total of civil servants - a ratio which we consider to be low.

State training courses for civil servants can be classified into two categories: (1) Training courses organized annually by min-

istries. Normally, these are short-term training courses, which focus on professional skills (engaged in day to day work), enforcement of regulations and policies, and provision of information concerning new policies. (2) Training courses organized by NAPA. These courses focus on administration management. After completing these courses, trainees obtain a certificate of administration management. This certificate is a necessary condition if he/she wants to take an examination to upgrade his/her position in terms of professional skills.

Since 1996, the Ministry of Education and Training and NAPA have conferred degrees and certificates to thousands of trainees who participated in full-time, part-time and in-service training courses.

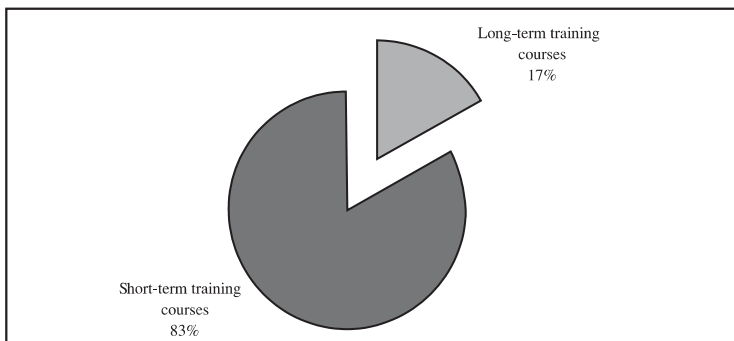
Since 1997, the Ministry of Home Affairs and NAPA have introduced training courses and organized examinations for upgrading the professional positions of civil servants. Currently, most civil servants at central and local level have been provided knowledge of state management and public administration skills. Therefore, perception and basic knowledge of state management, working styles and interpersonal skills have all been improved.

After more than 20 years since the launch of the reform policy, 144 training institutions have been established with the mandate to provide training on master and PhD levels. In the period 1990-1996, seven international cooperation programs were launched, which concentrated on business administration, economics and finance. In recent years, some 30 master courses in various professional fields have been introduced via such international cooperation programs. Additionally, since 2000, some 1,000 students have been sent abroad annually to study, pursue internships, master and PhD programs. Funding for these students has been provided by the state budget as well as through bilateral and multilateral agreements.

To understand the public policy training activities in Vietnam more clearly, we have selected 20 training institutions for analysis through the questionnaires and in-depth interviews. The targeted training institutions were those which have directly or indirectly offered public policy courses. The survey revealed the following findings:



Figure 1:  
Percentage of short-term training courses and long-term training courses on average opened annually by 20 surveyed training institutions



- The institutions mainly open short-term courses (less than three-months) to provide knowledge for officials of their own line ministry (exclusive of master and PhD programs). The participants are central government officials, provincial government officials and entrepreneurs. Such courses do not require a minimum number of years working experience and accept participants with different levels of qualifications. Generally, the design of these training courses is based on the requirements of the ministries in charge. The participants of the courses must attend full-time and 100% of their study fee is paid from the state budget. Contents of the courses relate to professional skills, policy analysis, implementation of laws regulations, and information on new policies.

*Table 1:*

*Main training contents of short-term courses*

<b>Contents</b>	<b>No. of answers</b>
Policy analysis	9
Professional skills (engaged in day-to-day work)	16
Implementation of laws	10
Provision of information concerning new policies	12

- Depending on the course, the training topic is selected by the leadership of the training institution or the ministry in charge. In some ministries, the staff of the training departments is also responsible for selecting training topics.
- Overall, existing training programs can be considered to be suitable or partly suitable. Thanks to such training courses, trainees have benefited through improved knowledge and better working relationships.

Regarding the feedback received from the surveyed institutions, four urgent problems exist: the lack of standard public policy programs; inadequate funding; lack of qualified trainers; inadequate training material and poor training facilities.

*Table 2:*

*Most serious problems of existing training programs*

<b>Problems</b>	<b>No. of opinions</b>
Lack of standard public policy program	12
Inadequate funds	11
Lack of qualified trainers	9
Poor physical training facilities	8
Lack of attention of leadership	2
Lack of training goal	1
Lack of training demand	0

- To resolve the main problems, all surveyed institutions saw the necessity to establish a proper and standard public policy training program. All agreed that this standard program would help to strengthen policy research, formulation and analysis.

*Table 3:*

*Importance of setting up a standard public policy training program*

<b>Importance</b>	<b>No. of answers</b>
Strengthen policy research	13
Strengthen ability for policy formulation	15
Set up a network among state agencies	8

Based on the above-mentioned data, we can see that, currently in Vietnam, training in economic management in general and training in public policy in particular receive limited attention in the state's training system.

The curriculum of Vietnamese training institutions is largely self-established. Basic knowledge of theory and policy analysis tools like microeconomics, macroeconomics, public finance, and statistics are not yet provided to trainees. Moreover, quality and skills of trainers are problematic, as most of them were educated under the centrally planned system and were equipped with inadequate economic knowledge. Their teaching methods generally rely more on their own practical experience than on market-based research.

Alongside this training system with 'traditional' training methods and low training quality, training programs with international partners have been run in Vietnam for the past ten years and have steadily increased in importance. Such training courses (degree or non-degree programs) are offered by partnerships of domestic and foreign universities and attract participants from the public sector at the central and local level. Examples of such training courses include the Fulbright

Economics Teaching Program; the Master Course in Public Management and Economics offered by the National Economics University, Free University of Brussels (ULB) and Solvay Business School; the Master Course in Economics of Banking and Finance offered by the National Economics University and University of Economics in Ho Chi Minh City in cooperation with the European School of Management and University of Paris Dauphine; as well as the Vietnam-Netherlands Master Program in Development Economics, which is offered at the National Economics University in Hanoi.

The above-mentioned public policy training courses are highly appreciated and considered to be the most systematic and standardized programs in Vietnam today (see appendix 2 for details). The modern contents of the training courses provide participants with economic knowledge, analytical skills and methodology relevant for public policy as well as case studies.

In parallel, Vietnam has signed bilateral agreements on public policy training with the United States, United Kingdom, Japan, Australia, Korea and Singapore. Annually, these governments grant scholarships to students working in the public sector in Vietnam. The screening is serious and students are required to pass many tests before being accepted. Most students are quite young but already possess a number of years of working experience.

Although the government has made efforts to strengthen its international relations in public policy training to meet the increasing domestic demand, only a few thousand students have been trained in relevant fields to date. The number of trained students certainly does not meet the huge and constantly increasing demand in Vietnam. In other words, Vietnam is suffering from a serious shortage of public policy training institutions with international standard. Significant changes in training policy will be necessary in the near future, so that Vietnam will have the professional policymakers it requires to continue leading the reform process.

### *2.2. Differences between training on national and on provincial level*

The state training system foresees two training forms for local officials: First, local officials are nominated to participate in training courses offered by training institutions of the ministry in charge. Trainees are civil servants of local authorities that are controlled directly by the relevant ministry in terms of professional issues. The timing, curriculum and trainers of the courses are selected by the ministry. This form of training focuses on enhancing professional skills through short-term training courses. Second, in accordance with the demands of the local government, the provincial people's committee or departments select training contents, set the date and invite trainers by themselves. The training content often concentrates on urgent and specific issues of local importance or 'hot issues' in the society.

Generally speaking, long-term training is offered to civil servants who are part of a promotion plan, while short term training aims at improving a specific professional skill and is offered to junior or mid-level civil servants. With the exceptions of Ho Chi Minh City and Hanoi, the provinces do not have their own training institutions for local civil servants. However, provinces do have political training schools with the function of training Communist Party cadres.

In comparison with the central training system, we can see that the local training system has not yet been organized methodically, and instead is run rather spontaneously. Training courses are mostly offered upon the initiative of some local authorities or individuals from local state agencies. This illustrates the lack of planning for training programs and a lack of attention of the leadership from the central to the local level. A specific example is the shortage of basic facilities for public policy training activities such as the budget, basic training material and professional trainers. All of these factors limit the qualifications of local civil servants compared to their counterparts on central level and, more importantly, compared to the requirements of modern governance.

### *2.3. Differences between degree courses and non-degree courses*

A degree course is used as a tool to standardize the qualification of personnel in accordance with professional requirements.

A non-degree course aims to improve knowledge and professional skills of personnel for day-to-day work.

Generally speaking, degree courses are quite popular in Vietnam. In many cases, the degree is obtained as a requirement for promotion rather than for the upgrading of knowledge. Therefore, degree courses attract a large number of candidates while non-degree courses are much less popular. Degree courses almost always last longer (from one to two years on average) than non-degree courses (some days or months).

Degree courses have a longer training time and more systematic programs than non-degree courses. A degree course requires students to deeply understand issues and pass final examinations at the end of terms. Non-degree courses, due to the absence of any 'examination pressure', often have to accept students and in many cases also teachers with lower qualifications.

#### *2.4. Difference between contents of training in public administration, public policy and political ideology*

Internationally, public policy, public administration and political ideology have quite similar training content. It is useful to consider how the three issues are taught in Vietnam (for details see appendix 3).

Concerning public administration, the National Academy of Public Administration provides an official public administration training program for civil servants. However, if we examine the list of the subjects taught, it seems that this program does not provide students with the necessary analytical tools and skills.

The Ho Chi Minh National Political Academy provides leadership training in political ideology, which is a requirement for promotion.

As mentioned above, most ministries have their own research and training institutions. However, in comparison with the modern public policy program which is offered in many countries, the state-run public policy programs in Vietnam does not meet international standard. Most of these training programs only concentrate on the introduction of current policies and their

implementation, but do not pay attention to policy research analytical skills and policy formulation.

At present, the Fulbright Economics Teaching Program and other international training programs in Vietnam mentioned above, remain the only modern programs in the country.

### *2.5. Efficiency of public policy training*

The public policy training methods in large-scale state-run programs directly influence the qualifications of civil servants. We believe that it is necessary, therefore, to assess the efficiency of this form of public policy training. The following aspects are analyzed: (i) the goal of public policy training; (ii) the curriculum of the training program; (iii) the teaching method; and (iv) factors that have an impact on the training program.

Government ministries provide training courses to their own civil servants on immediate skills. They do not provide a modern public policy program with basic knowledge about the functioning of government and market, public finance, policy analysis tools such as economics, statistics, econometrics, or knowledge concerning practices (case studies, evaluation of policy impact on society, exchange of policy research working papers, etc.).

*Box 1: Current situation and solutions to strengthen competence of policy researchers and policymakers*

In the opinion of Mr. Cong Van Di, Head of the Training Division of the Institute of Economics, the weakest point of policy researchers and policymakers is their insufficient understanding of modern theory and methodology of public policy research and formulation in a modern market-based system. He also indicates that their inadequate knowledge of public administration is one of the main reasons constraining efficient policy formulation, as public administration has a very close relation with policy execution.

He emphasizes that the cause of these problems is the lack of a good master plan for training and positioning of core pub-

lic policy researchers and policymakers, who would lead the intellectual development of the country.

To enhance the efficiency of public policy training, he suggests quality improvements to catch up with international standards. To this end, Vietnam should strengthen cooperation between domestic and foreign training institutions, so that trainees will be provided with both modern theory and Vietnamese experience through integrated training programs.

Because the goal of public policy training in Vietnam is not clear and specific, no concrete criteria are given for the selection of training topics or curricula by the ministry in charge. Moreover, the teaching method consists of full time lecturing with trainees passively listening, and no assessment is made at the end of the course.

From our survey we have found that the main factors determining training quality are the background and experience of the individual who selects the training topic and defines the curriculum; the background and experience of the trainer; and the background of the trainee. As the background and experience of these individuals does not include thorough theoretical knowledge, the design of the public policy training courses of the state system also does not provide theoretical contents.

To summarize, policymakers - provincial civil servants in particular - as well as trainers of training institutions have themselves been trained with traditional methods under the centrally planned economy. Their own training still deeply influences their perception and qualifications.

### *2.6. Linkage between public policy research and training*

Social phenomena are diverse and dynamic. Many phenomena are outside the reach of society's institutions. Linkages among institutions could better cope with social phenomena that individual institutions are unable to grasp. This observation also holds true when we observe activities related to public policy research and training. The following points show the importance of linkages.



- Research would support training activities through updated knowledge and experience, supplementing training methodologies and strengthening training quality;
- training activities would help research by upgrading knowledge, particularly by facilitating the inclusion of practical experience into research;
- the vertical and horizontal linkage between research institutes, universities, and training centers would positively influence public policy research and training.

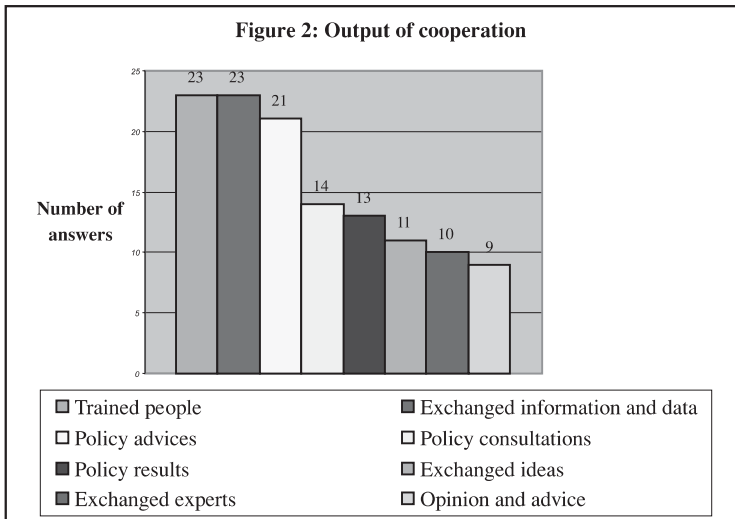
The question for public policy is how to set up an efficient linkage between research and training - a question which has already been posed some years ago. However, it has been difficult to overcome obstacles within concerned institutions as well as barriers between institutions, as the institutions are concerned solely with their own agendas.

#### *2.6.1. Linkages between public policy research and training within ministerial research institutes*

Currently, such a linkage exists within most research institutes directly controlled by ministries. Trainees are the officials of a ministry and the training content aims to update information and knowledge in their particular field of expertise. These training courses are typically short-term. Some research institutes also offer master or PhD programs on subjects closely related to their own field of research. These courses are offered in association with universities, where required additional credits are obtained, while the degree is conferred by the Ministry of Education and Training.

As such a ministerial institution is involved in the process of policy formulation, its training content contains practical experience and can provide trainees with relevant public policy knowledge. For example, the Academy of Banking is often assigned to cooperate with the Monetary Policy Department of the State Bank of Vietnam in conducting public policy research, thus helping the Academy of Banking set up the linkage between research and training activities. This type of linkage can also be found at the Central Institute of Economic Management and the

Development Strategy Institute under the Ministry of Planning and Investment as well as at the Institute of Trade of the Ministry of Trade, at the Institute of Industrial Strategy and Policy Research of the Ministry of Industry, and at the National Institute for Science and Technology Policy and Strategy Studies of the Ministry of Science and Technology.



At the same time, linkages between these ministerial research institutes are not well developed. Cooperation in training activities is only found in form of personal invitations to participate.

### 2.6.2. Linkages between public policy research and training within non-ministerial research institutes

Research institutes of this type, such as the Institute of Economics and the Institute of World Economics and Politics in VASS, do not directly take part in policy research and formulation. Their research is concentrated on issues relating to basic theories of public policy and policy analysis. Training activities of

these institutes therefore focus on theoretical aspect of public policy rather than on practical policy analysis and advice.

*2.6.3. Linkage of public policy research and training in universities*

Universities providing public policy training usually study only subjects that directly support their regular training activities. A linkage of public policy research and training among universities is very loose at best.

*2.6.4. Linkage of public policy research and training between ministerial research institutes, non-ministerial institutes and universities*

Because they actively take part in public policy formulation, ministerial research institutes possess significant practical knowledge and experience. Non-ministerial institutes and universities, on the other hand, favor more theoretical studies. Unfortunately, there is little in the way of linkages between the two groups, which results in low quality public policy research and training.

*Table 4:  
Linkage between research and training*

<b>Opinion</b>	<b>Do not agree</b>	<b>Do not know</b>	<b>Partly agree</b>	<b>Fully agree</b>
There is a close connection between research and training institutions	4	1	10	2
The university system is very strong in research	4	2	10	2
Research institutions are actively providing training	3	2	8	3
Total	11	5	28	7

### 3. Public Policy Training in Vietnam: The Demand Side

The public policy training system in Vietnam has a number of limitations: specialized subjects are often not suitable for many trainees, often subjects are too theoretical, and often the qualification of the trained personnel still does not meet the requirements of Vietnam's public management in this period of rapid industrialization and modernization.

The strongest demand from civil servants in state management agencies is to participate in training courses on political theory because, as a rule, a civil servant must attend such courses at the Ho Chi Minh National Political Academy in order to be promoted.

Of the 1.5 million civil servants throughout the country, a remarkable number has been trained in state management issues. However, this training is often of low quality and lacks public administration skills as well as knowledge of public policies and their implementation. Many civil servants not only lack expertise, but also work inefficiently. They have limited skills in dealing with assignments, drafting documents, detecting problems and embracing the whole assignment. In addition, civil servants are often weak in information technology skills and command of foreign languages. Thus, while civil servants are excessive in quantity they still lack sufficient knowledge, applications skills and the capacity to properly complete assignments.

At the same time, a shortage of well-trained and specialized civil servants is becoming apparent among the generation which is to succeed the current staff. This shortage concerns those civil servants in particular who are charged with formulating policies and development strategies in many state agencies and at many levels of seniority. While the overall number of civil servants has gradually increased with the development of Vietnam's economy, the improvement of their training remains an urgent issue.

It is noteworthy that no severe disparities in quality and methodology can be found in the training of different civil servants, as one would expect different groups of civil servants to be trained on different levels. The cause of this uniformity lays in

the fact that recruitment and placement of civil servants does not accurately reflect their abilities and specialization.

#### 4. Support Conditions for Training Activities

##### *4.1. The Vietnamese government's position on education and training*

The general target of the State's Master Program for Public Administration Reform during the period 2001-2010 is:

"to establish a group of civil servants which has a good qualification and competence to meet requirements of the country's development. The specific target is set as follows: by the year 2010, personnel management has the appropriate quantity, structure and is modern and professionally organized. Civil servants have the work ethics and capacity to execute their duties in service to the people and country. The mission for training civil servants until the year 2010 is to ensure that they have good knowledge of political ideology, administration skills, command of foreign languages and IT skills suitable to their positions. They have the capacity to develop policies and to organize as well as execute their duties to meet the increasing day-to-day requirements of the industrialization and modernization process."

Driven by this goal, the Prime Minister approved the Decision No 201/2001/QĐ-TTg on Implementing the Strategy of Education Development 2001-2010, dated 18/12/2001. This decision is a key part of the legal basis for implementation of the strategy by every agency and person. Under article 2 of the decision, the Prime Minister has assigned specific missions to ministries and agencies, namely the Ministry of Training and Education, the Ministry of Labor, Invalids and Social Affairs, the Ministry of Planning and Investment, the Ministry of Finance, the Ministry of Home Affairs, the Ministry of Science and Technology, etc. Each ministry is to implement the Education Development Strategy in its area of jurisdiction and with its civil servants.

#### *4.2. The legal framework and mechanisms for training civil servants*

In order to create a legal framework for training activities, the Vietnamese government issued many policies and mechanisms. Of these policies, we mention Government Decree No 87/1996/ND-CP dated 19/12/1996 and Decree No 51/1998/ND-CP dated 18/7/1998 on decentralization, management, establishment, implementation and balance of the state budget; and Decision No 874/QD-TTg dated 20/11/1996 on training activities for civil servants. These form an important part of the legal framework for training activities for civil servants in Vietnam.

On July 5th, 2001, the Prime Minister issued Decision No 74/2001/QD-TTg on the plan for civil servants' training in the period 2001-2005. Subsequently, on July 11th, 2003, the Prime Minister issued Decision 37/2003/QD-TTg approving the training plan in the international integration stage from 2003 to 2010. In addition, the state master plan for public administrative reform for the period 2001-2010 also contains programs to upgrade qualifications of civil servants through training activities.

*Box 2: Implementation of the plan for sending civil servants abroad for training*

Mr. Nguyen Ngoc Van, Deputy Director of the Training Department in the Ministry of Home Affairs (MOHA), explained in an interview that - in accordance with the training plan for civil servants for the period 2001-2005, regulated by the Prime Minister's Decision No 74/2001/QD-TTg, dated 7/5/2001 - MOHA is charged with sending 37 delegations of about 600 individuals to study abroad within the three years 2002 to 2004. The training topics cover many fields related to public policy such as policy formulation, human resource development, strategy formulation skills, public management of economics by sector, management of public finance, etc. Participants are selected among civil servants at the central and local level, trainers in training institutions concerned with state management, and among promising junior civil servants.

The remarkable result of training activities abroad for civil servants in the past has been that they were able to develop their knowledge of public management in a market-based system and to learn from experiences in developed countries.

To strengthen the efficiency of this training program in the coming years, MOHA proposes (1) to enhance the quality of this training program by clearly enunciating the targets, requirements, contents, host countries and participants of this training program as well by improving the interpretation provided, (2) to encourage, in particular, promising young civil servants to participate, and (3) to increase funds, in order to allow for larger numbers of participants.

To further improve the training quality, the Prime Minister issued Decision No 16/2003/QĐ-TTg dated 4/8/2003 stipulating the statute of training for civil servants (see appendix 4 for a comprehensive list of relevant legal documents).

#### *4.3. Policies promoting human resources development*

The Prime Minister promulgated Decision No 874/QĐ-TTg dated 20/11/1996 stipulating training activities for civil servants with clear targets, participants, training contents and training form. The Law on Education also recognizes that “to promptly establish an intellectual force to meet the requirements of the industrialization and modernization process, the state should pay great attention to expanding training quantity and enhance training quality for civil servants and to sending students to study abroad”.

#### *4.4. Investment in material facilities*

To ensure higher quality in human resources, Resolution 2 of the VII. Congress of the Communist Party of Vietnam confirms that “the state will reserve a proper budget to send virtuous and talented persons to study in countries which have advanced science and technology foundations”.

The state budget is a key source of finance for education and the government gives investment in education priority over sectors. The percentage of the state budget allocated for education was 15% in 2000 and is planned to reach 18% in 2005 and an estimated 20% by 2010. To achieve this goal, the government will make use of funds with preferential interest rates from the World Bank and the Asian Development Bank, international organizations and other countries. In addition, the government has mobilized further funds from internal and external sources for education development.

#### *4.5. Support for education from international organizations*

International organizations support education via financial aid. Their support is a significant financial contribution to education development in Vietnam. This source includes financial aid and loans from international and bilateral donors. In total, these funds make up some 20% of total expenditure for education.

#### *4.6. Assessment of public policy training*

Training of civil servants in Vietnam shows some advantageous features. Firstly, training forms have been diversified to improve the knowledge of civil servants through 'learning by doing'. Secondly, training institutions have begun to network in some areas. Since Decision No 874/QĐ-TTg dated 20/11/1996 stipulating training activities for civil servants came into effect, training activities have been improved. The system of training institutions at central and local level has been consolidated; the legal framework has been established and completed; and the number of trained civil servants has increased. In general, training activities contribute to strengthening the efficiency of public management mechanisms and staff policy in state agencies and training institutions. Efforts are made to motivate civil servants to continue to learn and improve.

On the other hand, public policy training in Vietnam still has many shortcomings in relation to the demands created by the necessity to build a modern administration. These shortcomings exist in many aspects and include the following:



- governance of training activities from central to local level is not unified;
- policies related to training of civil servants are issued in an inconsistent manner;
- planning of training is not demand-driven, does not relate properly to general personnel policy, and training plans are changed too rapidly;
- decentralized management of training is not working consistently, creating dispersion and overlap among agencies;
- inspection is not sufficient.

*Box 3: Strengthening the efficiency of public policy training in ministries*

Ms. Hoang Thanh Huyen, Head of Training Division, Research Institute of Industrial Strategy and Policy, Ministry of Industry, stated that efficiency of public policy training in ministries is strengthened if a clear legal framework is applied in a uniform manner to organization and operation of all public policy training institutions nationwide. In parallel, specific plans should be drafted for individual ministries, under which they have to actively coordinate with other ministries to carry out training activities. The contents of training, qualifications of trainers, quality of facilities, and the skills of training management staff must also be improved.

Ms. Huyen also suggested the Ministry of Finance amend regulations governing the funding of training activities, as actual fees for qualified trainers were higher than those used as bases for the Ministry's regulations.

The two main reasons for these shortcomings are: (1) not enough attention is being paid to training by responsible authorities at all levels of government and, as a result, the management and organization of training lack proper coordination, and (2) the finances for training of civil servants are limited and, moreover, they are not used properly and efficiently.

## 5. Recommendations

As detailed in the public administration reform program, by 2010 Vietnam's civil servants should be trained in political theory, professional qualification, administrative skills and information technology, in order to strengthen their ability of policy formulation and implementation. Thus, the following measures should be carried out soon:

### *5.1. Establishing new training programs in public policy in Vietnam*

*Identifying beneficiaries:* Beneficiaries are mainly policymakers, policy researchers, civil servants at central and local levels (who are responsible for approving policies and implementing policies), cadres belonging to political and other organizations. Additionally, the number of entrepreneurs among trainees should be increased to further diversify discussion opinions and better link the public and private sectors. All trainees should be selected by the training institution to ensure their proper qualification.

*Duration of the training:* Training courses should run for one full year with full-time courses, divided into four semesters, while the duration of each semester would depend on the detailed contents.

*Training contents:* The content of training courses is organized in four semesters, for each of which a special training manual will be developed. Subjects should include: Philosophy (Eastern philosophy, Marxist philosophy and Western philosophy), Economics (macroeconomics, microeconomics and economic theories), Political Science (concentrating on Vietnamese political institutions), Law, Public Economic Management, and Policy Analysis.

Such training programs will have to be offered in a diversified and decentralized manner as follows: (1) framework programs as a common foundation for all training programs for civil servants; (2) training programs for leaders, managers, policymakers; training programs corresponding to different levels of seniority;

(3) training programs for civil servants at levels of specialists, main specialists, superior specialists, top specialists; (4) pre-civil service training programs; and (5) training programs for civil servants who are trainers in public administration themselves.

*Training methodology:* Training courses should provide theories along with practical studies to equip participants with knowledge both of Vietnam and the world. After each subject, participants will prepare reports. The goal of a training course should be clearly defined and course requirements should be accurately detailed and transparent.

*Curricula:* Curricula must meet agreed academic, political and practical standards in terms of content, methodology and required skills. Curricula must distinguish between compulsory parts for all trainees and specialized lectures for specific groups of civil servants. Curricula of long-term courses should provide basic and comprehensive training, while short-term course curricula should concentrate on refreshing and updating relevant issues.

*Trainers:* The Vietnamese and foreign trainers should be highly qualified, have training expertise and practical experience in their field. Vietnamese trainers should be recruited from research institutes, universities and related institutions. Foreign trainers should come from public policy training projects. Remuneration of trainers should follow market rates, in order to attract high-quality experts.

*State management of training:* Currently, the Ministry of Home Affairs is the state management agency for civil servants. It should be assigned to take charge of training management on central and local level. Decentralization of power and responsibility for training activities between central and local levels should be considered, just as proper division of responsibility between the agency in charge of training and the agency participating in training.

*5.2. Combining public policy research and training through a network of organizations concerned*

As we have seen, it is necessary to set up a stable linkage among concerned institutions as soon as possible. Within this linkage, public policy training must be a backbone for public policy research. However, first and foremost, the five following questions must be answered, namely: (1) Whom does the training aim at? (2) What is the content of training? (3) How is the training implemented? (4) When is the training conducted? (5) Where is the training organized? Questions 1, 4 and 5 must be answered by the respective personnel departments, while questions 2 and 3 should be answered by the training units responsible for curricula and teaching methodologies of public policy training. Additionally, it would be important that research institutes and universities exchange trainers, in order to benefit the contents of the training on the one hand and institutional development on the other hand.

The Vietnamese state must have a consistent standpoint on public policy training and give it high priority in the near future, as it will have profound impacts on the development of the country. Attention must be paid to set up qualified teams of lecturers in training institutions, apply modern and attractive training methods, recruit international experts for training of trainers, invest in building infrastructure and modern equipment for public policy training facilities, and establish a legal framework within which the state acknowledges training programs, grants certificates and supports training expenses.

Appendix 1: Ten surveyed institutions with training functions

	Ministry in charge	Training institution	Training content
1	Ministry of Planning and Investment	Central Institute of Economic Management	Economics, economic policy, economic management mechanism and planning
2		Development Strategy Institute	Economic development strategy, nation wide and regional socio-economic development programming
3		Center for Professional Training	Training course for professional Training course for professional skills of civil servants in the field of planning and investment lineskills of civil servants in the field of planning and investment line
4	Ministry of Finance	Academy of Finance	Training course for professional skills of civil servants in public finance
5		Securities Research and Training Center	Training human resources for securities market
6	State Bank of Vietnam	Academy of Banking	Finance and banking, accounting and auditing, business administration
7	Ministry of Industry	Research Institute of Industrial Policy and Strategy	Industrial development strategy, programming, and policy
8	Ministry of Trade	Institute of Trade	Trade
9	Ministry of Agriculture and Rural Development	Institute of Agricultural Economics	Agricultural economics and rural development
10	Ministry of Science and Technology	National Institute of Science & Technology Policy and Strategy Studies	Science and Technology development strategy, programming, policy

Appendix 2: Training content of domestic training institutions which have relations with foreign training institutions

The Vietnam-Netherlands Masters Degree in Development Economics	Vietnam-Belgium Master in Public Management and Economics
Macroeconomics System of National Accounting Basic Mathematics and Statistics Computer Use for Economists Theory of Development English for Academic Purposes Microeconomics Macroeconomics Econometrics Introduction on Finance CBA and Project Appraisal Economic Development Philosophy Research Methodology Vietnamese & Regional Development Political Economy Money & Banking Advanced Econometrics & Practical Topics Theory of International Trade & Trade Policy Quantitative Aspects in thesis writing Financial Aspects of Development Applied Policy Analysis Public Finance Rural Development Economics Market Analysis International Finance	Macroeconomics Public Finance Accounting principles Management principles Philosophy and Political Economics Administration management Organizing and modernizing the public sector Human resource management Marketing and public service Accounting and auditing Public policy evaluation Information system in public management Environmental economics Role of state in market economy Public marketing Local development Urbanization and sustainable development Welfare institutions European Economic Integration

Appendix 3: Curricula of public policy, public administration and political ideology in Vietnam

Public policy (Curriculum of FETP)	Public administration (Curriculum of NAPA)	Political Ideology (Curriculum of HNPA)
<p>Macroeconomics; Microeconomics; Analytical methodology; Mathematics and statistics for policy analysis; Case study; Accounting; Financial analysis; Technology and development; Economic development; Foreign trade; Public Finance; Rural structural transition; Development finance; Local marketing; Computer; New economic strategy of China.</p>	<p>Overview of political system; Main issues of the Socialist Republic of Vietnam; Legal system; Working statute of the government and people's committee; General theory of state administration management; Organization of state management system; Civil servant and service; Decision and compulsion of state administration management; Public administration reform; How to draft legal documents of</p>	<p>Philosophy; Political economy; Scientific socialism; Ho Chi Minh's ideology; Marxism; History of the Communist Party; International relations; Law of the state; Cultural socialism; Economic management; Sociology and demography; Psychology.</p>
<p>state administration management; Legal document management of state agencies; Administrative organization and execution; Administrative procedures; Computer; Public economic management; Monetary and fiscal policy; State management of urban and rural areas; State management of labor, employment, wages and social subsidies; State management of population and family planning; State management of culture, education and health care; State management of science, technology, environment and natural resources; State management of ethnic minorities and religion; State management of defense and security; State management of judiciary.</p>		

Appendix 4: Legal documents related to training of civil servants

Second Plenary Resolution of the VII. Congress of the Communist Party.

Decision No 874/QĐ-TTg dated 20/11/1996 of the Prime Minister on Training of Officials and Civil Servants.

Decree No 87/1996/ND-CP dated 19/12/1996 of the Government providing Details on the Decentralization, Management, Establishment, Implementation, and Balancing of the State Budget.

Decree No 51/1998/ND-CP dated 18/7/1998 of the Government amending and supplementing some Articles of the Decree No 87/1996/ND-CP dated 19/12/1996 of the Government providing Details on the Decentralization, Management, Establishment, Implementation, and Balancing of the State Budget.

Decision No 74/2001/QĐ-TTg dated 7/5/2001 of the Prime Minister ratifying the Plan for Training Targets of Officials and Civil Servants for 2001-2005.

Decision No 201/2001/QĐ-TTg dated 28/12/2001 of the Prime Minister on the Implementation of the Education Development Strategy 2001-2010.

Decision No 16/2003/QĐ-TTg dated 4/8/2003 of the Prime Minister issuing Regulations for Training of Officials and Civil Servants.

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# Networks and International Cooperation of Public Policy Research and Training Institutions in Vietnam

Dang Kim Son

## 1. Background

Vietnam's transition from central planning to a market-oriented economy during the past 20 years is known as *doi moi*, or renovation. In this transition process, policy reform has played a decisive role as one of the most important factors contributing to the successful development of economy and society. In the course of institutional reform, policy research has been gradually specialized and decentralized. Several major decision-making and policy-setting powers, which were previously in the hands of the central government and key ministries, such as the Ministry of Planning and Investment (MPI) or the Ministry of Finance (MOF), have now been distributed gradually among different concerned ministries. Furthermore, a considerable number of significant policy decisions have been decentralized from central to local authorities.

Every line ministry has formed agencies specializing in public policy research. Some institutes of strategy and public policy research were established quite early, such as the Development Strategy Institute (DSI: 1964) or the Central Institute for Economic Management (CIEM: 1978). Both institutes operate under the authority of MPI (the former National Economic

Planning Committee). These institutes can be characterized as policy formulation and policy research agencies. In other ministries, most institutes of public policy and strategy research were formed during the second half of the 1990s, while some were created just two years ago, such as the National Institute of Posts and Telematics Strategy (NIPTS) of the Ministry of Posts and Telematics (MPT). The Institute of Policy and Strategy for Agricultural and Rural Development (IPSARD) of the Ministry of Agriculture and Rural Development (MARD), although it was established as Institute of Agricultural Economics already in 1982, began functioning as the think tank of MARD only since July 2005.

*Table 1: Year of establishment of selected institutes of strategy and policy research*

<b>Name</b>	<b>Year</b>
Development Strategy Institute (DSI)	1964
Central Institute for Economic Management (CIEM)	1978
Institute of Labor Science and Social Affairs (ILSSA)	1978
Institute of Agricultural Economics, later Institute of Policy and Strategy for Agricultural and Rural Development (IPSARD)	1982
Institute for State Organizational Sciences (ISOS)	1995
National Institute for Science and Technology Policy and Strategy Studies (NISTPASS)	1996
Industrial Policy and Strategy Institute (IPSI)	1996
Health Strategy and Policy Institute (HSPI)	1998
National Institute of Posts and Telematics Strategy (NIPTS)	2003

*Source: Survey Information*

The functions and mandates of every institute are different depending on whether their governing ministries have departments specializing in public policy or not. The approach to policy

formulation has also been changed in parallel with the drive for specialization and decentralization. Previously, policies had been developed through centralized and bureaucratic decisions, while now they are based on scientific studies, which help identify policy issues and create economic and scientific foundations for different policy options.

The role of public policy research in supporting strategy and policy formulation has become increasingly important in the course of Vietnam's administrative reform process and the transition to a market-oriented economy. Institutes of strategy and public policy research play a crucial role by carrying out policy-oriented and basic socio-economic studies and by providing information in support of policy formulation. The activities of these institutes have been gradually specialized and are today independent from other ministerial departments in the policy formulation process.

Policy and strategy research institutes within governing ministries maintain official relations with each other, through recommendations or formal work assignments by ministries, and have developed semi-official relations by inviting individuals and study groups to join in research, write papers, teach, participate in councils to review and approve research proposals, and attend conferences. These institutes also collaborate with international partners, however, international relations are not yet meeting the demand and capacity of the policy and strategy research institutes.

## 2. Overview of the Status of Institutes of Strategy and Policy Research

Every institute of strategy and policy research in a government ministry has a specific function and mandate. In general, the size of these institutes averages 60 to 80 persons. The largest is the Development Strategy Institute (DSI) under MPI with 130 staff members. Institutes such as National Institute of Posts and Telematics Strategy (NIPTS) with only 20 staff members are among the smallest. Despite the small size, their staff are quite competent, however. Most of them are researchers with high

qualification and research experience. The average ratio of graduates and postgraduates among institute staff is approximately 90%. Of these, the ratio of researchers with a postgraduate degree is between 12 and 40% - and even 50 to 60% in the cases of CIEM, HSPI and NIPTS (see table 2). In the case of ILSSA, however, the ratio of staffs with PhD degrees is only about 3%, as many former staff moved to senior positions in other departments within MOLISA.

*Table 2: The Rate of staff with graduate and post graduate degrees*

<b>Name</b>	<b>BA</b>	<b>MA</b>	<b>PhD</b>	<b>Total</b>
Development Strategy Institute (DSI)	58%	9%	17%	130
Central Institute for Economic Management (CIEM)	32%	32%	20%	80
Institute of Labor Science and Social Affairs (ILSSA)	52%	18%	3%	70
Institute of Policy and Strategy for Agricultural and Rural Development (IPSARD)	61%	21%	10%	72
Institute for State Organizational Sciences (ISOS)	50%	27%	23%	30
National Institute for Science and Technology Policy and Strategy Studies (NISTPASS)	45%	18%	14%	72
Industrial Policy and Strategy Institute (IPSI)	58%	8%	12%	87
Health Strategy and Policy Institute (HSPI)	38%	38%	24%	34
National Institute of Posts and Telematics Strategy (NIPTS)	50%	25%	25%	20

*Source: Survey Information*

While institutes share the strength of having highly qualified staff, they also share a common weakness in the fact that their researchers have different backgrounds, resulting in different research methodologies. The institutes' young researchers do not have enough professional knowledge, while older researchers have more experience but lack computer and foreign language skills and knowledge of new research methodologies. In IPSARD, for example, only 30 percent of the staff are able to converse fluently in a foreign language and while most researchers can basically use a computer, only some 18% have the ability to use computers for data analysis. These constraints result from the strong dependence on the state budget with rigid and inflexible salary schemes, unreasonable benefits for staff, and the problem of 'brain drain'. As a result, training and education of researchers in the institutes are weak.

All institutes of strategy and policy research play significant roles. They are located in the city center or near their ministries' headquarters and they work closely with other ministerial departments and the ministry's leadership. The state budget accounts for a large part of their operation cost (between 60 and 80% of the institutes' budgets).

The clients and products of these institutes are diverse. For example, CIEM and ILSSA are directly involved in preparing draft resolutions, bills, structural reform proposals and other documents for central authorities (the Party, National Assembly and the Government). NISTPASS is involved in formulating strategic proposals for the Government and in preparing institutional reform plans for MOST. ISOS develops strategies and policies in public administration reform, civil servant management, NGO management, association management, and wage management. DSI and IPSI prepare many policies and planning proposals for state management and even prepare strategic planning for enterprises. IPSARD supports MARD by evaluating policy impacts and reviewing strategy orientations proposed by departments, etc.

Nevertheless, policy and strategy research institutes have yet to achieve a coherent position in policy formulation and decision making. For instance, institutes could participate directly in

building policies or criticizing policy proposals objectively, or both. In the case of doing both, it is difficult to ensure the independence and objectiveness in policy formulation and decision-making. Clients of the institutes are mainly at the central level of government, with only few clients coming from the private sector or other parts of society. The institutes' products include both long term research results (policy and strategy inputs) and short-term research results (answering policy inquiries, helping ministers respond to questions at National Assembly meetings, etc.), which together form a relatively heavy workload. Consequently, they are unable to conduct long-term, policy-oriented studies, which would make these institutes more effective.

Apart from policy and strategy research institutes, there are also public policy training agencies under some ministries. They are similar to policy and strategy research institutes in their relatively small size, the high rate of staff with high qualifications, good infrastructure and their close involvement in the ministries' activities. For example, the College for Management Training in Agricultural and Rural Development II (CMTARD II) has 83 employees, including 34 lecturers, of whom 90% hold a masters degree. Such schools often offer management training based on the authority delegated to them by the National Academy of Public Administration. School trainees receive certificates conferred by NAPA, which enable them to take exams for "Senior Specialist"-level. These schools also provide training for experts to take exams for "Senior Technician"-level. CMTARD I and II also offer administration training programs for commune-level administrative staff, as well as management training programs for cooperatives and local small and medium-sized enterprises.

Some major localities such as Hanoi and Ho Chi Minh City have their own socio-economic research institutes to support the local leadership in policy formulation and planning. These institutes share the characteristics of ministerial policy and strategy research institutes (compact organization, high investment, modern headquarters, close link with local state management). For instance, the Ho Chi Minh City Institute of Economics has 80 staff, of whom 30 hold a PhD or masters degree. This institute plays three important roles: (1) consulting and preparing eco-

conomic and urban management policies for the city (equivalent to the role of a provincial department); (2) participating in the development of guiding documents of the city's committee of the Communist Party (equivalent to the role of a Communist Party committee); and (3) doing research, such as policy analysis and projection at the city level (equivalent to the role of a research institution).

Local policy research institutions and ministerial policy training schools also have similar weaknesses, such as the lack of a clear mandate in policy research and policy formulation.

These institutions, with their diverse functions, mandates, capacity, clients, and products, are part of a wide network of central and local-level institutions and overseas partners. The content and effectiveness of this cooperation is also fairly diverse and unsystematic. This study will analyze the cooperation in policy research and formulation among institutes and with other agencies, classified into three main groups:

- Relations with policy research institutions and policymaking bodies within the same governing ministry;
- relations with other domestic institutions other than those in the governing ministry;
- international cooperation.

### *2.1. Relations between institutes of strategy and policy research and other agencies within the same governing ministry*

#### *Relations in administrative management*

The institutes of strategy and policy research are linked to departments of the governing ministry firstly through the administrative management relations. In principle, departments of each ministry are in charge of administrative management functions such as making policies and plans, allocating budgets, formulating technical criteria, monitoring, as well as ensuring proper policy implementation. For example, the Department of International Cooperation (monitoring the visiting international delegations, managing international projects and workshops, etc) and the Department of Finance (allocating state budget, control-

ling plans and approving the expenditures, etc) of a ministry exert strong influence. Only CIEM has a special position in this regards, as it is a so-called 'first-level accountability body' with a higher degree of independence: after receiving its part of the annual state budget from MPI, CIEM has full autonomy in allocating its budget for individual research projects without the need to obtain additional approval from MPI. It should also be noted, however, that this budgetary autonomy has recently been narrowed.

Local institutes of policy research such as the HCMC Institute of Economics receive research funds from the annual state budget to prepare policy drafts and plans, to review project proposals and carry out studies in support of the city authority's decision-making.

The budgets of public policy training institutions come from different sources depending on each individual training program. For instance, CMTARD no. 1 receives funds from the Department of State Organization of MOHA and the college plans its administrative management courses based on this budget and MOHA regulations. In addition, some specialized ministerial departments, such as Department of Cooperatives and Department of Promotion of Agricultural Development of MARD also allocate budgets for training courses to CMTARD no. 1.

The development of long-term plans, such as projection, strategy, and forecast are frequently assigned to other bodies than the strategy and policy research institutes: projections are often made by specialized institutions, which act as research centers and public service agencies, such as governmental consulting firms; strategy development is generally assigned to inter-ministerial taskforces with the involvement of different ministerial institutions.

#### *Cooperation in the policy formulation process*

As mentioned above, due to specialization, the functions and duties of policy and strategy research institutes in different ministries are quite different. However, most of them are not directly involved in the policy formulation process. Instead, they are responsible for (1) carrying out studies of macroeconomic policy



and strategy orientation and sectoral development; (2) identifying policy issues; (3) collecting, processing and distributing policy and strategy information; and (4) establishing the scientific basis to support the policy formulation process. In addition, they implement socio-economic development projects, provide information, process data, and report to the ministry leadership to support decision making and state management. Another fairly important function these institutes have in common is to join in the assessment councils for policies, strategies and institutional proposals. The only two institutes directly involved in planning and making projections are IPSI and DSI.

Coordination in policymaking between departments and institutes of policy and strategy research usually follows one of three different patterns: (1) departments assign annual plans and projects to institutes, (2) departments and institutes implement joint projects and (3) departments and institutes exchange experts and information. These patterns of coordination can result in both close or loose relations between the institute and another ministerial department.

In cases of IPSARD, ISOS, HSPI and ILSSA, the ministry leadership and heads of departments assign missions, questions and requirements to institutes and listen to their feedback. Nevertheless, the voice of institutes in policy formulation is not as strong as in suggesting policy options, as decision making and policy formulation take place within departments and the ministries' leadership.

Some institutes - e.g. DSI, NISTPASS, CIEM - are directly involved in policy formulation and, accordingly, play the same role as other ministerial departments. However, this role creates time constraints for the institutes and makes it difficult for them to maintain independent and objective standpoints, which allow them to criticize policy options. The involvement of institutes in policy making and their relations with policymakers in the governing ministries can be generally described by the followings procedures:

*The parallel and corresponding procedure in terms of the workload during the policy formulation process:* When the MOI formulates policies for industrial sectors (such as engineering, metal-

lurgy, chemistry, textiles, leather and footwear, etc.), departments are assigned to implement policy projects and plans. They identify legal aspects of policy issues while IPSI is in charge of technical aspects of policy options. The ministerial departments and IPSI are jointly responsible for developing policy proposals. Then, the proposals are reviewed by the Science Council of MOI and reported to the ministry's leadership, which ultimately promulgates the policies. In this procedure, policy making is a parallel process involving departments and the institute.

*The parallel/not corresponding procedure in terms of the workloads:* This procedure can be witnessed in the cases of NISTPASS, CIEM and the HCMC Institute of Economics. When ministerial departments are assigned to implement projects (on policy, strategy, institutional development, etc.), they often invite the above-mentioned institutes as their counterparts. Vice versa, when NISTPASS or CIEM are in charge of a project proposal, they call on respective departments to participate as their counterparts. Normally, departments and institutes assign their experts to join the taskforce of the presiding organizations. When the project is completed and NISTPASS or CIEM are in charge, they will send preliminary results first to the relevant departments (e.g. Department of Finance and Planning, Department of Science and Technology, etc.) and then to the Science and Management Council of the ministry, which reports to the ministry's leadership. This procedure often takes place in several rounds. As a result, policy making is a parallel process among departments and institutes, but it does not correspond in term of workloads.

*The participatory procedure:* In MARD, MOHA and MOLISA, when a policy issue emerges, the ministry leadership usually assigns parts of the task to develop a policy to the responsible departments and institutes. For example, the legal department reviews existing policies, the technical departments draft policy options, while the institute carries out a survey and research to identify policy issues as well as to examine existing solutions, and to classify the scale and scope of issues. These procedures are principally implemented in parallel during the first stage of collecting information and data. Then, several meetings and

workshops are organized for discussion and exchange of ideas. Finally, departments will formulate policies and their policy drafts might merely be forwarded to institutes for review. Hence, in this procedure the role of the institutes is limited to specific stages of the policy formulation process.

### *Conclusion*

In general, relations between institutes and departments within the governing ministries vary across ministries and even within each ministry. Although relations can be categorized into the above three procedures, this does not imply that one institute follows one procedure only, rather it may follow different procedures for different issues. The quality of these relations depends greatly on the effectiveness of individual and institutional relations, which, in turn, can have positive or negative effects on the policy formulation process.

During the policy formulation process, the approval of draft strategies and policy drafts is carried out more carefully, systematically and effectively than other steps of the procedure. As a result, the relationship between institutes and specialized departments is closer. Naturally, the quality of evaluation remains strongly dependent on individual qualifications.

In many cases, the assessment and supervision of policy implementation is done by the same departments which formulate policies. Equally, some institutes involved in policy research may directly take part in policy formulation. Both cases can have a problematic effect on the objective evaluation of policy impacts.

One of the main reasons for the weakness of institutes in policy formulation is that the standard process does not include proper policy analysis as a scientific step to identify the impact of different policy options on different stakeholders. Only few studies exist which analyze the scientific foundations of policy issues prior to suggesting different policies and solutions. Hence, some policies are adopted without a clear theoretical basis. Experts involved in policy formulation are often selected for their seniority and personal relations rather than for their analytical and methodological skills. In addition, many policies are formulated under strong time pressure and with only limited funds

and information available. A systematic procedure for the coordination between institutes and departments, which properly take into account scientific research, does not exist. Relations between departments and institutes vary and are subject to change depending on institutional capacities, personal relations and guidance from the ministry's leadership.

## *2.2. Relationship between institutes and domestic bodies outside the governing ministry*

In general, institutes have diverse relations with counterparts outside their governing ministries. Their partners can be policy research institutions of other ministries, other research institutes and centers, universities and colleges, Vietnamese associations and NGOs, media agencies, and a network of central and local authorities. The diversity also concerns joint projects and is reflected in the different forms of coordination among organizations and individuals:

- cross-sector strategy and policy formulation;
- joint studies and workshops;
- involvement in public policy training programs;
- provision of public services.

### *Involvement in cross-sector strategy and policy formulation*

At present, the formulation of sector policies and strategies is undertaken by each respective line ministry. Cross-sector policies and strategies relating to different areas are jointly implemented by ministries. Generally, in these cases, one ministry is assigned as the coordinator. Departments and institutes represent their ministries in cross-sector meetings and workshops to collect and discuss information and ideas. They will have official correspondence in the case of critical issues or contradictions relating to benefits, regulations and policies. Information exchanges and discussions generally follow official administrative procedures, and it is the role of the research institutes to identify basic scientific issues and to provide information in support of the policy making process.

*Box 1: Collaboration in developing the program for science and technology management reform*

The key role of science and technology in Vietnam's socio-economic development has long been recognized. However, investment in science and technology is still low, partly leading to low effectiveness of policies in managing science and technology activities. Policy reform to boost the development of science and technology is difficult to implement as this is a sensitive issue and restricted by regulations regarding financial autonomy, independent personnel organization, and allocation of budgets based on market mechanisms.

The issue of science and technology management reform has been raised in research done by NISTPASS. The leadership of MOST acknowledged its significance and proposed reforms to the central government. The central government then assigned CIEM, NISTPASS and ISOS to develop the program of science and technology management reform, and assigned NISTPASS the role of coordinator for the collection of comments from many institutions and independent experts. The program also took into account the relevant research done by international institutions, such as IDRC, SIDA and UNDP. The three institutes in the program made best use of their strengths and experience by developing three independent proposals for submission to the central government. The government commented on the proposals and then assigned NISTPASS to combine them into one final project. It was approved by the government in 2004 and has been implemented since then.

*Participation in joint studies and workshops*

At present, perhaps due to a lack of open bidding and available information, ministerial institutes seldom participate in national research programs. Many policy-oriented research projects are carried out by institutions without proper specializations and the quality of results is therefore often insufficient. In the case of studies commissioned by a ministry, usually one institute will be assigned to head the study and it will invite

other organizations - e.g. strategy and policy research institutes of other line ministries - to join. However, it must be acknowledged that the vertical budget allocation procedure in ministries is not favorable for such inter-ministerial cooperation among research institutes. An official and effective mechanism enabling institutes to inform each other on their research, research outputs, and to share information, skills and resources, is lacking. The exchange of information, ideas and opinions among institutes is mainly achieved by inviting experts and researchers to participate in seminars, approval and assessment councils, or special subject workshops and annual review meetings. Thus, opportunities for institutes to become familiar with and share the research priorities in different sectors are few. Equally we find no systematic cooperation in cross-sector and cross-regional joint research activities, also because of limitations resulting from disparities in educational backgrounds, methodologies and research skills among institutes' staff.

Nevertheless, one can identify cases in which cooperation between institutes is ongoing, e.g. in the framework of international study projects, local research programs or state-sponsored study tours and missions. In these cases, researchers from different institutes and institutions work together effectively in a cross-sector taskforce. They use the same approach to research, the same methodology and apply common scientific standards. As a result, their research outputs are rather good.

*Box 2: Poverty mapping to analyze policies on poverty and inequality in Vietnam*

UNDP and the World Bank have for some time sponsored the General Statistical Office (GSO) to conduct censuses and large-scale living standard surveys. These provide a valuable source of information, however only few ministerial research institutes know and use them, because (1) policymakers are not acquainted with these databases or with how to use them in policy research, and (2) researchers in different institutions use different methodologies, and most of them are not famil-

lar with STATA, which is the software that the GSO uses to store and analyze data.

In order to improve the situation, the project 'Poverty mapping to analyze policies on poverty and inequality in Vietnam' was developed in 2002. It is implemented by the inter-ministerial task force for poverty mapping and has received technical assistance from the International Food Policy Research Institute (IFPRI) and the Institute of Development Studies. The task force includes researchers from MARD, MOLISA, MPI, MOF, and GSO as well as collaborators from NEU. The major sponsor is the Government of New Zealand, the co-sponsors are the Swiss Development and Cooperation Organization and the World Bank. The Steering Committee includes directors of ministries and state organizations mentioned above. Each of them selected three researchers from his office with knowledge in economics, policy analysis, English language and computer (STATA) skills to join the task force team along with researchers from selected universities. A total of 24 researchers made up the in the task force. International experts in the project taught a series of three courses on (1) using STATA to analyze GSO data, (2) presenting data on GIS maps, and (3) using GIS and regression in policy analysis.

During the courses, participants used the trained methods to develop provincial and district-level poverty maps using GSO data. Meanwhile, members of the Steering Committee met several times and raised real policy issues, which were then used as policy analysis cases for trainees. After six months, 15 researchers were selected to form the inter-ministerial task force to follow up the research on a long term basis; senior officials of the five ministries continued to meet in the Steering Committee; the GSO database has also been explored to further support policy analysis. Outputs of the project include a poverty atlas in book and CD ROM form, which is widely used in the five ministries. The task force continues to carry out joint research.

Local research institutes, such as the HCMC Institute of Economics, often act as sub-contractors for central-level institutes in different ministries. The local institutes then co-organize workshops and conferences, carry out research and implement activities in the locality. This procedure reduces costs for the central-level institutes and allows local institutes to participate in policy formulation and research.

*Involvement in public policy training programs*

Most strategy and policy research institutes also have a training mandate, in order to support and improve the expertise of researchers inside and outside the sector through long-term and short-term training courses. The institutes organize frequent training courses for their staff on policy research methodologies. Lecturers are both domestic and foreign experts, as well as staff from the institutes themselves. Support for such training courses is often provided by international projects and capacity building programs and they have made considerable achievements, not least because the training is linked to other studies the institutes are involved in. But the training courses have not followed a long-term strategy and trainees were selected unsystematically to merely meet the immediate requirements of the courses.

Other training courses relating to public policy are organized for participants outside ministerial institutes. However, these courses mainly aim at introducing and advising about policies rather than providing the scientific foundations for public policy formulation and analysis.

Civil servants regularly undergo skill training courses organized by the government. These courses usually use outdated methodologies with little practical content and do not encourage trainees to be active in learning. Meanwhile, important skills such as foreign languages, office computing and advanced professional skills are not included in these training courses.

Most strategy and policy research institutes also have a mandate to organize or participate in postgraduate education, usually by coordinating with a university. This mandate does not, however, mean that the institutes can all launch postgraduate



courses because their staff lack the required academic qualification. At present only few institutes, such as CIEM and DSI, are offering a PhD training program. The master course in science and technology policy organized by NISTPASS in coordination with the University of Social Science and Humanities is one of the successful postgraduate programs, in which the degrees are conferred by the university. So far, nine masters classes with ten to twelve students each have graduated from this program. Coordination with the university is very useful for the education and training program of NISTPASS, as it provides the institute with sufficient highly qualified lecturers, and the university's experience in designing the syllabus and curriculum.

Nevertheless, education programs and training courses offered by ministerial institutes do not meet international standards: lectures and methodologies are outdated, lecturers are unprofessional, entry requirements are low, facilities are poor and there is no link between training and practical policy research and formulation.

Some management colleges of ministries have state management departments like in the CMTARDs of MARD. Such departments are responsible for training in administration management skills, which includes policy formulation and implementation. Such courses are often a requirement for the promotion of a civil servant, therefore the knowledge or skill is not the main target for the trainee. Trainees are eager to join other programs, such as the training course on development policy for local authorities and enterprise managers. In many cases, participants have to use funds from local budgets to pay for the tuition, as in the case of courses at the Agricultural Extension Department and the Business Administration Department of CMTARD II. Teachers at this college often develop case studies at local level which can then be used as syllabus for the training course. Unfortunately, the budget for such case studies is quite limited.

Most Vietnamese universities do not offer an official program in public policy research and formulation yet. Training courses have, however, been organized at universities as part of international projects, in order to provide policy analysis and research skills. One such program with high quality is run at the Hanoi Agricultural University and is funded by the Government of

Australia. Most trainees in these courses are university lecturers, but neither can they transfer their new skills to regular university curricula, nor can they use their skills by participating in active policy analysis and research. As a result, despite the good quality of the training program, the degree of effectiveness is low.

#### *Provision of public services*

Strategy and policy research institutes can be active in policy consulting, research management, or provision of other public services for partners outside their governing ministries. These activities not only generate a significant source of income for the institutes, they also improve the cooperation between institutes and local and other institutions. Public service provision has not yet been fully exploited by institutes, partly because they continue to rely on the state budget as their main source of income, partly because of their strained human resource situation. IPSI is an exceptional case in exploiting income-generating public services through consulting enterprises and their counterparts inside and outside MOI on management, investment, technology transfer and other public services.

Another example is the Business Administration Department of CMTARD II, which signs training contracts with state-owned enterprises. Activities include training for directors and heads of crucial departments on policy management issues requested by the enterprises (for instance equitization, ISO, etc.) These contracts often include case studies at the enterprise, which allows the trainer to get close to the enterprise's operations and design the course in a relevant way.

Another interesting, and special activity is the so-called 'Central Director's Club', which is operated by CIEM. This club was established a long time ago and has some 160 members, mostly of state-owned enterprises. The club's main activities are training courses and monthly seminars.

#### *Conclusion*

Just as relations with departments and institutions within the governing ministry, the relations with other organizations

outside sector ministries in general and with other institutes of strategy and policy research in particular are dominated by unsustainable individual contacts. Therefore, the exchange of information and ideas among institutes of strategy and policy research remains limited. Relations are generally short-term and bilateral in character, rather than multilateral. And because they are unsystematic, they lack uniform procedures.

It seems that the degree of decentralized authority granted to the institutes is insufficient, as they must still obtain approvals from higher authorities. This leaves them rather passive in establishing external relations. As we have seen, there are a few examples of official relations among institutes, such as the 'Collaboration in developing the program of science and technology management reform' (Box 1), where the central government manages the relations and links institutes together through their governing ministries. Consequently, the most effective way to connect different strategy and policy research institutes for cross sector policy issues seems to be through official ministerial procedures.

Strategy and policy research institutes obtain few public service contracts, although they receive a considerable state budget in comparison to technological research institutes. The HCMC Institute of Economics goes so far to refuse implementing public service activities and claims to lack the necessary human resources and wants to avoid commercialization of public policy research. This issue still needs to be discussed and adjusted in order to determine the most suitable procedure for public service.

### *2.3. International cooperation*

Similarly, international cooperation of institutes of strategy and policy research is also diversified in terms of relations and partners. Their main international counterparts are international research institutes, multilateral and bilateral organizations, domestic and foreign NGOs, universities, international centers for policy and strategy research, international networks of research and public policy training, etc. The key forms of cooper-

ation are research contracts (with experts and institutes), international research and capacity building projects, exchanges of experts and information, etc. The contents comprise of development programs, joint studies, training and education programs, workshops and conferences in Vietnam and abroad. Researchers of institutes of strategy and policy research are also involved in international cooperation on an individual basis, on which they write articles, give lectures, etc. Through these activities, the parties can exchange methodologies and information, and strengthen the capacity of strategy and policy research institutes.

Public policy training and research are a priority of many sponsors active in Vietnam in implementing programs on rural development, poverty alleviation, public service reform, public administration reform, etc. These sponsors are multilateral institutions such as the World Bank, UNDP, ADB, FAO, UNIDO, WHO, etc., and bilateral donors such as SIDA, CIDA, DANIDA, ACIAR, IDRC, SDC, etc.

Interviewed experts of UNDP told us that all UNDP technical assistance for Vietnamese partners involves public policy to some extent. UNDP has also made an effort in supporting research and capacity building in public policy to strengthen inter-sectoral collaboration. UNDP is conducting a large-scale capacity building program for the GSO, which aims not only to improve the office's annual data collection to better support policy analysis, but also to link it with other ministries, so that they get acquainted with and use GSO data more effectively in their sector policy formulation. In the future, this will help research institutes to improve their research quality and the decentralization of policy formulation. UNDP uses the same approach for their poverty alleviation program, which is coordinated by MOLISA. In fact, UNDP would like to call for related ministries to join in components of the program, especially in policy formulation and implementation.

The World Bank is an active sponsor of policy research programs through three major channels: (a) hiring international experts to support Vietnamese partners; (b) loan programs; and

(c) conducting small-scale research that matches with Vietnam's requirements.

Research funded by the World Bank relates for the most part to macroeconomic policies such as impacts of accession to WTO (implemented by the Institute of Economics of VASS); (ii) poverty assessment (implemented by MOLISA); poverty mapping (implemented by an inter-ministerial task force); impact of growth on the environment (implemented by CIEM and the Ministry of Natural Resources and Environment). The World Bank also sponsors research into sector policy and strategy (in agriculture, public health, education, public administration, environmental management, water resources, forest protection, etc.) Within programs funded by the World Bank, there are some limited training activities relating to public policy, mainly as part of loan programs and as on-the-job training for staff.

ADB has conducted some development and poverty alleviation support programs and has also established activities related to policy, mainly regarding training rather than research and mainly as part of loan programs (State-owned Enterprise Reform Program, Administration Reform Program, Education Quality Reform Program).

Bilateral organizations also have many activities that considerably influence policy formulation, such as a public administration training program by the Swiss government for the National Academy of Public Administration and a monitoring and evaluation program for MARD.

According to the interviewed experts of international organizations, it seems that international support for policy research and training usually faces difficulties in finding a Vietnamese counterpart which is competent to implement the program. In many cases, Vietnamese partners are unable to separate policy formulation, policy implementation, and policy research. Additionally, the lack of long-term strategy in ministries' policy formulation and complicated administrative procedures hamper international collaboration. Even collaboration among donors themselves is weak in many cases. As a result, program support is often unsustainable and has limited effectiveness.

Three current trends among international donors are to move (i) from direct support for development projects to support for policy research and formulation, to move (ii) from conducting policy and strategy research to capacity building support for Vietnamese institutions in policy research and formulation, and to move (iii) from technical assistance to administration and institutional reform. These trends will clearly create new opportunity for policy research and training institutions in Vietnam.

Besides financial support, international organizations also mobilize a large number of experts as well as implement many policy-oriented studies themselves, most of them together with local institutes, thereby enhancing their capacities.

Strategy and policy research institutes use international support to set up policy research funds. These funds can be used for studies of the institutes or for inviting other research institutions to bid for research projects, in which the ministry's leadership has an interest. For example, NISTPASS was involved in the Vietnam-Netherlands Research Program and IPSARD is currently involved in the Mobilisation de l'Information au Service des Politiques Agricoles (MISPA), funded by the French government. Both programs have funds as described above. These funds, with competitive bidding procedures and assessment of independent consultants, have been exploited efficiently and have contributed to enhancing the cooperation among strategy and policy research institutes and between institutes with

*Box 3: Vietnam-Netherlands Research Program*

To meet the increasing demand for policy analysis and development research, the Ministry of Science and Technology of Vietnam (MOST) and the Ministry of Foreign Affairs of The Netherlands established the Vietnam-Netherlands Research Program from 1994 to 2004. The implementation of the program was assigned to NISTPASS.

This program aimed at linking policy research with training of a group of young and competent researchers. The research fund was managed by the Vietnamese program partner. A steering committee of leading scientists and managers

was put in charge of research orientation, project approval and implementation assessment. Consultants in different areas were also mobilized to support these activities. Information about candidates, goals, bidding procedures, and participation was made public through mass media.

During 10 years of implementation, the program attracted many studies by institutes, universities, and organizations on central as well as local level. These studies had significant practical relevance. The program organized short annual training courses on research methodology and skills, mid-term and final workshops, and provided on-site support by experts, contributing to capacity building for young researchers. Many policymakers have participated in workshops where researchers presented their results. Workshop documents have also been widely distributed. Due to obstacles in establishing a team of Vietnamese policy analysts, it was not until the end of the program that the research met desirable quality standards. However, this program created a unique reputation, remarkably changed the environment for policy analysis and positively influenced the reform of scientific research.

other policy research bodies.

One highly effective international cooperation is the support for international postgraduate education. For example, the Ford Foundation has granted some 20 master scholarships in economic and policy research to MARD (some IPSARD researchers are benefiting from this program), Sweden and The Netherlands are providing scholarships for researchers of NISTPASS, Sweden is providing scholarships for researchers of CIEM, etc.

The Vietnamese staff, who studied public policy and management abroad on governmental and international scholarships at internationally recognized universities have led Vietnamese institutes to access modern technologies, new sources of information, and to opening up international research relations. Institutions which have made significant contributions to this

success are the John F. Kennedy School of Government (USA), Australia National University, Institute of Social Studies (Netherlands), University of Philippines, etc.

Fulbright Economics Teaching Program in Vietnam also plays an important role. This is a unique systematic training program in public policy and management with modern methodologies and combining research with training. A large number of students who have graduated from the one-year Fulbright pro-

*Box 4: Fulbright Economics Teaching Program*

The Fulbright Program in Vietnam was founded in 1994 as a partnership of the University of Economics in Ho Chi Minh City and the John F. Kennedy School of Government of Harvard University. The training program specializes in public policy and management with both Vietnamese and American lecturers. The students, all of whom have professional experience, are taught applied economics and public policy for one year. The program smoothly combines theory and practice and lectures are based on case studies of Vietnam and other countries. Modern training methods and an active studying environment enable students to cooperate effectively with lecturers during the training. The program can be considered equivalent to a master level in public policy and administration, although no master degree is issued. Text books are usually provided free of charge and courseware can be downloaded free of charge from the Internet. Thereby, many researchers can effectively use the material, thus creating a very special contribution of this program to public policy training in Vietnam. In addition to the official classes, the program also offers special courses for senior officials.

However, the selection of participants for the one-year program and their post-training postings are sometimes not ideal, due to disharmonious cooperation between Vietnamese offices and the program. While some staff can apply what they have learned very well in later professional position, others have little or no chance to apply their knowledge.



gram are now working for government agencies and many senior Vietnamese officials have participated in the Fulbright policy training courses.

The strategy and policy research institutes have also improved their international cooperation by becoming involved in international policy networks. For example, CIEM now is an official member of four networks: (1) the Global Development Network (GDN), which is funded by the World Bank and includes public policy research and consulting organizations all over the world (CIEM is part of a branch of GDN, the East Asian Development Network); (2) DAN, which is funded by a Canadian organization and comprises Vietnam, Thailand, Laos and Cambodia; (3) the Mekong Delta Economic Research Network funded by the Swedish government; and (4) the Association of South East Asia Economic Research. ILSSA is a member of (1) the Institute Network for Labor Research of ASEAN, which is funded by the Japanese government and has carried out many policy-oriented studies, and (2) the Poverty Analysis Research Network funded by the World Bank as a five year initiative. NISTPASS is member of the Southeast Asian Science and Technology Policy Network under the auspices of UNESCO.

Each network has different activities, the most common of which are conferences, joint research, information exchange and training courses. However, due to the difficult administrative procedure involved in sending Vietnamese government officials to international workshops, conducting joint studies, and selecting and using foreign experts, this form of international cooperation has not yet been exploited efficiently.

In conclusion, international cooperation is diverse across the different institutes of strategy and policy research. Each has one to four major international cooperation programs and some small scale programs on average. International cooperation of units under each institute can be strong or weak depending on their personnel capacity. For example, if one unit has more researchers who have been trained abroad, its international cooperation is likely stronger than that of other units. It can be said that most international cooperation activities are short-term with limited effectiveness, and Vietnamese partners are

often not active enough. Usually, the international partner is the one seeking cooperation from the Vietnamese counterpart. Many training courses have repetitive contents and procedures, few practical applications and few training manuals; many trainees does not have chances to apply what they have learned because they are transferred to other units after completion of the training courses. In addition, the capacity of researchers in terms of professional knowledge and foreign languages is often not sufficient to work directly with foreign partners. Furthermore, leaders and international cooperation divisions of institutes do not have enough experience and capability in this field.

In order to overcome these constraints, the further decentralization of authority to the strategy and policy research institutes and the establishment of an active cooperation mechanism are among the most beneficial solutions for better international cooperation.

### 3. A New Vision for Public Policy Research and Policy Formulation

#### *New demands on public policy formulation*

The need for public policy research has become greater as policies today are more complex due to the larger number of stakeholders, cross-sectoral and cross-regional issues, increasing need for projections, and competitiveness. Research into economic, social, political and environmental aspects must provide scientific foundations for strategy and policy formulation. At the same time, the central government is delegating authority to local governments, enterprises in all economic sectors and individuals, while Vietnam is gradually integrating into the global economy. Consequently, policy options must take into account the feedback from various stakeholders in various contexts.

The development of science and technology, the spread of modern communication technology, the expanding role of mass media in identifying policy issues and reflecting people's opinions have created opportunities and new information demands and debates among people about policies and strategies of the State.

In addition, the ongoing public administration reform towards transparency and accountability, decentralization and empowerment, requires that policies and strategies are formulated scientifically and systematically along with the responsible participation of stakeholders. The deepening international integration requests the policymakers formulate policy and strategy in conformity with international rules and agreements.

As a result of the above opportunities and challenges, the policy formulation process is necessarily becoming more specialized and more independent, objective and scientific, taking into account cross-sectoral issues and international criteria. The scattered, discontinued and individual relations in policy formulation need to be rearranged to become sustainable and systematic. Researchers participating in policy formulation must improve their analytical capacities and information systems and statistical databases must be set up, in order to connect strategy and policy research institutes. Researchers at institutes, universities and colleges, NGOs, mass organizations and unions, and international bodies must be mobilized to participate in public policy training and research.

#### *Attempts to link economic research activities*

The greater demands for policy research require coordination of policy research institutions and experts. As a result, there are more and more initiatives aiming to bring about such coordination, for example:

*The Vietnam Development Forum (VDF):* The Vietnam Development Forum was established in 2004 by a joint research project between the National Graduate Institute for Policy Studies (GRIPS) in Tokyo and the National Economics University (NEU) in Hanoi. VDF aims at connecting policymakers and researchers through workshops, conferences, books, publications, a website, etc. This forum has proved to be helpful for researchers of NEU through several small studies. To some extent, this forum has linked with some agencies of MOLISA, MOI, etc. While responding quickly to new policy issues, this forum does not have enough profound professional activities, and its influences on policy formulation are limited.

## *Public Policy Research and Training in Vietnam*

*The Viet Nam Economic Research Network (VERN):* This is a project between the Institute of Economics of VASS and IDRC, which began three years ago. Focusing on globalization, poverty reduction and economic growth, this network mobilizes domestic and international experts through research programs. Although its target is to carry out research into policy-related issues, its overall goal is broader, including promotion of scientific innovation, linkages among researchers, and capacity building. Its strength is that it supports research proposed by independent research groups with comprehensive support in designing, organizing, developing methodology, and analysis. An independent research committee of domestic and international experts selects projects for support. Each project receives modest funding (US\$ 20,000) for 2 to 3 years, which allows for a solid scientific contribution but not for a rapid response to immediate policy questions. So far, members of the network are rather diverse (15 members from Ho Chi Minh City, Hue, MOLISA, NEU, MPI, etc). Another advantage of this network is its good support to training, as some 20 university lecturers participate in the research projects and make use of the research results in their lectures.

*The MISPA Project:* This is the project funded by French embassy previously for ICARD and now for IPSARD. Its goal is to support research and information dissemination for policy formulation in agriculture and rural development. Policy questions raised by policy makers of MARD are turned into research projects through MISPA's research fund. Research groups nationwide can bid for these projects. The projects' scale is similar to those of VERN but have a shorter duration of normally one year. Research results and information about policies are disseminated to policymakers in different ministries through many channels: books, bulletins, website, and seminars. Generally speaking, MISPA combines the strengths of VERN in research and of VDF in provision of information. However, its capacity-building activities are weaker than those of VERN and its links with universities are weaker than those of VDF.

There are further related activities apart from these three examples. Most of them are also international projects and/or link with a research fund. They are useful initiatives and should

be expanded, but they have yet to provide an adequate development strategy for research and training institutions in Vietnam.

*Proposal to improve collaboration among policy research and training institutions*

In the future, multilateral collaboration in activities relating to public policy will be crucial and must include:

- collaboration among policy and strategy institutes;
- collaboration between policy and strategy institutes and policy training schools;
- inter-ministerial and interregional collaboration among policy research, formulation and training institutions; and
- international collaboration.

Such collaborations would ensure the effective utilization of human resources, equipment, technology, and information, thus enabling the mobilization of scarce resources for crucial activities as well as the use of research results in policy training and policy formulation. Mutual benefit, improved quality of policy formulation and sustainability of this collaboration would be the results. Such collaboration is also the prerequisite for improving quality and effectiveness of policies and should, therefore, have top priority in public administration and policy reform.

Currently, all research institutes express the desire to collaborate. However, such collaboration takes time to develop. A starting point could be collaboration among selected strong institutions, and could move from loose to close collaboration, for example from a forum (loose collaboration), to an agreement (moderate), to the formation of a 'club' (relatively close), and finally to a network (close) and a proper association.

However, in order to achieve such collaboration, institutions need to overcome the following obstacles: the differences in training and methodology among researchers, weak information systems, underdeveloped libraries, and poor infrastructure. Another issue is the lack of a precedent of collaboration between

institutes in different ministries, making such new collaboration difficult. The lack of transparency or a strong mechanism to attract institutes to join the network further weakens the drive towards collaboration, as does the difficulty in arranging resources to maintain such collaboration, especially in an initial stage. In order to overcome these initial difficulties, efforts from all three sides are needed: from institutes themselves, from the government and from the international partners. We suggest the following steps to establish a collaborative network of united and comprehensive research and training institutions:

- Policy research institutes need a research collaboration program to jointly contribute to and comment on strategic issues such as five-year plans, economic development programs, the Communist Part congresses etc.
- The weak components in policy formulation, such as literature review, projection of policy impact, assessment of policy implementation, must be improved. Therefore, a standardization of the policy research process is necessary, starting from conducting surveys, developing databases, and defining research methodology, to presenting policy options, so that institutes of strategy and policy research can exchange information and ideas. These steps need to be organized systematically and match with international standards for policy research institutes.
- An effective information system to supply and exchange information and ideas is needed, in order to improve research quality and link policy research institutes with end users and individuals who are affected by policies. Publications, periodical seminars, and specialized media for policy dissemination should be supported as well.
- To enable the unbiased commentary and consultative role of research institutes, they need a certain independent status in terms of personnel management, finances, and organization. First pilot models in this direction should be encouraged and supported.
- Research needs to be closely linked with training. A team

### *Public Policy Research and Training in Vietnam*

of policy researchers must be formed, which requires developing a specialized training program with high-quality textbooks. The training program should combine analysis with case studies, international experience with specific experience of the situation in Vietnam. Ideally, students would be trained by researchers from policy research institutes under the supervision of domestic and foreign professors.

- A collaborative mechanism should be developed to link institutes, departments, divisions, experts through seminars, forums, reviews, journals, etc. An official network is needed to form a think tank to support state management organizations and solve inter-sectoral and inter-ministerial policy issues.
- Research funds should no longer be controlled by individual ministries, but rather be subject to open and competitive bidding procedures.
- Local training programs in public policy should aim at supporting local policy makers. These programs could be implemented by the schools of management training in different ministries.

#### *Opportunities for international organizations to support policy research and training activities.*

International support plays an essential role in equipping research institutes and policy training agencies, harmonizing database systems, sponsoring information networks, promoting data processing and analytical methodology. Eventually this support will lead to the creation of international-standard research, which includes collection and processing of data, report writing and the dissemination of results.

International projects should help research institutes to buy user licenses for software, foreign and domestic statistical databases, and to update electronic policy libraries. These resources would be shared among policy and strategy research institutes within the newly-established network.

## *Public Policy Research and Training in Vietnam*

Lessons from VERN, VDF and MISPA show that policy research funds are very effective tools to support the decision-making process in ministries and can provide important information sources for policy training. These funds should, therefore, be further developed and, where possible, connected with research funds from other government ministries.

Initially, it would be important to support networking activities, such as linking separate websites to form a general website, and jointly holding seminars and training courses.

International support could play a strong role in linking public research with public policy training, for example by supporting a program training government officials on how to do policy research and work with policy agencies; or by supporting a program training researchers to take part in teaching or preparing training materials. Information exchange between research and training would also benefit from international assistance.

International support could also help institutes to send their researchers to various international conferences to enhance their international cooperation activities. This would help research institutes to get in touch with other relevant institutes, organizations and networks all over the world and to invite their specialists to work in Vietnam.

To accomplish the setup of a research system that has proper functions and meets the Government's requirements, it is necessary to support pilot models of autonomous research management, creative ideas for the bidding for policy research projects, models linking policy research and training, and for models of attracting talented people to policy and strategy research institutes and resisting the brain-drain issue. In all these aspects, international support can play an important part.



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