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**BUI THI NGOC HIEN**

**INSTITUTIONAL CAPACITY BUILDING OF STATE ADMINISTRATION  
ADAPTING TO THE REQUIREMENTS FOR MARKET ECONOMY DEVELOPMENT  
AND INTERNATIONAL INTEGRATION IN VIET NAM NOWADAYS**

**Major: Public Administration Management  
Code: 62 34 82 01**

**SUMMARY OF DOCTORAL DISSERTATION  
ON PUBLIC ADMINISTRATION**

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## ABSTRACT

### **1. Urgency of the research topic**

Vietnam has transformed into a market economy with the international integration process at large. These reforms have been becoming increasingly necessary and urgent due to the increasing pressure from global integration. The legal framework and administrative structures of Vietnam in part still inherited from the planned economy completely focused not adapted to current needs. Context changes led to the changing role of the state administrative institutions for the market, for civil society and the international. To accomplish their new roles, Vietnam needs to improve capacity of state administrative institutions to adapt.

In Vietnam, some sectors and localities have carried out the project of institutional capacity building. However, the theory of institutional capacity building have not been studied in Vietnam

In this context, Vietnam is in the process of state administration reform in 2011-2020, the research and find a method effective administrative reform as well as the objectives and tasks of the home administrative research.

### **2. Purposes and missions of research**

#### ***2.1. Research purposes***

- Thesis systematized research institutions, state administrative institutions, institutional capacity building, thereby, to clarify the concept of state administrative institutions, capacity of State administrative institutions. The thesis also defines the role of the state institutions and administrative requirements on institutional capacities to adapt to the market economy and international integration.

- The thesis studies and assess the status of the administrative capacity of state institutions Vietnam in the market economy and international integration. The thesis also developed some specific groups of measures to enhance the institutional capacity of state administration in the current conditions of Vietnam.

#### ***2.2. Research missions***

- To systematize the theory of institutional capacity, the state administrative institutions, institutional capacity building. Which clarifies the basic problem of institutional, institutional capacity and institutional capacity building; clarify the state administrative institutional and administrative capacity of state institutions;

- Analysis of the transition the role and functions of state administrative institutions and the need to identify the administrative capacity of state institutions to adapt to the context of the market economy and international integration; Determining the evaluation criteria of administrative capacity of state institutions to adapt to the market economy and international integration;

Research to prove in Vietnam now have the context of market economy and international integration; Assessment of the status of institutional capacity of state administration and demand Vietnam enhance administrative capacity of state institutions to adapt to the market economy and international integration;

- Develop a framework of institutional capacity building of state administrative adapt the market economy and international integration in Vietnam and give some solutions to improve the administrative capacity of state institutions in Vietnam existing conditions.

### **3. Object and scope of research**

**3.1. Objects:** "institutional capacity to adapt state administration with the market economy and international integration of Vietnam"

#### **3.2. Scopes:**

- Restrictions on the content of research: The thesis studies the institutional capacity of state administration

- Limit the time the study: The thesis studies the administrative institutional capacity in Vietnam at the present time and forecast the administrative capacity of state institutions to adapt to the market economy and international integration in Vietnam.

- Limitation of space: The dissertation focused research in Vietnam

### **4. Research Methodology**

To conduct the research topic, the authors used a combination of several methods: the method to learn the materials, methods of historical, survey methodology, survey sampling methods expertise, forecasting methods and methods of analysis, synthesis, statistical methods-evaluation, in-depth interview method.

### **5. New contributions**

- In terms of reasoning: The thesis will provide a complete theoretical system of institutional capacity building, provide the scientific basis of the improvement of the administrative capacity of state institutions in a market economy schools and international integration in Vietnam

- In terms of practicality: Solutions and Framework enhance the institutional capacity of public administrations thesis can be applied as to enhance the administrative capacity of state institutions to adapt to the market economy and international integration of Vietnam.

The thesis can be used as research material and teaching

### **6. Structure of the dissertation**

Besides an introduction, overview of the situation of the research, conclusions, appendix, and references, The content of thesis includes three chapters: Chapter 2. Arguments on institutional capacity and capacity of state administrative institution in the market economy development and international integration; Chapter 3. capacity of administrative state institution in the market economy development and international integration in Vietnam; Chapter 4. Strategies for improving the administrative capacity of state institutions to adapt to the market economy and international integration of Vietnam.

## Chapter 1

### OVERVIEW OF RESEARCH SITUATION

#### 1.1. The outline of the research related to issues of institutional capacity

##### 1.1.1. *Institutions.*

###### 1.1.1.1. *Historical research institutions worldwide.*

The term "institutions" is interpreted in different ways, depending on the angle of study. "Institutions" are studied in various fields such as economy, society, politics ... In the world, this term (institution) are used in the social sciences for a long, Giambattista Vico is one of the the first to use this term in *Scienza Nuova* work in 1725, however, so far, there is no uniform understanding of the term "institution". In a research perspective there are different definitions of institutions.

Some other works have research institutions: Geoffrey M. Hodgson. What are institution? *Journal of Economic Issues*, Vol. XL, No. 1, Mach 2006; Masahiko Aoki, 2001, *The Institutional foudation of a market economy*, the background paper for the World Bank's WDR 2001/2, Stanford University; Morgan, P. and Qualman, A., 1996. *Institutional and Capacity Development: results-based management and organizational performance*, Canadian International Development Agency (CIDA) Policy Branch, Canada; West Harford; Wells, Alan., 1970. *Social Institutions*. London: Heinemann

###### 1.1.1.2. *Research institutions in Vietnam*

In Vietnam there are many authors use the term "institutions" in his works, but mainly on the basis of service and lead the institutional definition of foreign researchers, some eg study of the author Tran Dinh An, Vo Tri Thanh in "Institutional - Institutional Reform and Development: Theory and practice abroad and Vietnam"; "The problem adjusting functions and institutions of the state under the impact of globalization" of Pham Viet Thai, or as in the book "Administrative Science" in the series edited by Doan Trong Truyen.

##### 1.1.2. *State administrative institutions.*

In Vietnam, the problem of state administrative institutions often mentioned as part of the public administration (or state administration). In the curriculum of the National Academy of Public Administration as were written about state administration consists of four elements: the state administrative institutions; organizational structure of the state administration; State administrative personnel and material resources necessary for the operation of state administration.

In documents state management in Vietnam today, the state administrative institutions are understood as a system of legal documents as a legal basis for the State's administrative activities.

##### 1.1.3. *The relationship between institutions and development.*

###### 1.1.3.1. *International studies*

The change in the economic environment, international society since the 1990s is why the role of the public sector institutions in developing countries become more important. The important role of public institutions for the development was the international aid organizations recognize. In the 1990s, the role of institutions has also been the national development more seriously.

1.1.3.2. *Research on the relationship between institutions and development, the role of state administrative institutions of the market economy in Vietnam.*

In Vietnam, almost no research work yet institutional capacity. However, recently, there are some works have to examine the relationship between institutions and development, problem perfecting socialist-oriented market economy in Vietnam, typical such as the book "Institutions - Institutional Reform and Development: Theory and practice abroad and Vietnam" (2002), "Improving the institutional environment synchronously developed in conditions of the market regional economic integration and the World "(2002), the book" To continue building and perfecting the socialist-oriented market economy in Vietnam "(2006)," Improving economic institutional market the socialist orientation "(2008). In addition, may include a number of studies on this issue as: "Building market facilitators", "20 years of innovation and the formation of economic institutions socialist-oriented market" "The problem adjusting functions and institutions of the state under the impact of globalization".

Some doctoral thesis also mentioned this issue as thesis: "*The role of institution in business transaction in Viet Nam*" by Nguyen Thi Hong Hai, University of Birmingham, 2007; economic thesis: "Institutional improvements to management officials in Vietnam in terms of development and international integration "by Tran Anh Tuan, National Economics University, 2007; and administrative thesis of "Improving Public Service institutions in our country today" Tran Quoc Hai, Academy of Administration, 2008.

#### **1.1.4. Institutional capacity.**

##### *1.1.4.1. The research in the world.*

###### a) The theory of institutional capacity.

In the 1960, 1970 and early 1980, many institutions have conducted capacity building, but very little of institution focus on providing the material conditions necessary financing and operation of the institutions. These institutions often focus only on the transfer of technology without regard to the institutional environment. By the late 1980s, many researchers recognize that institutional capacity building is not only concerned with the education, training, technology transfer, enhance the ability of individuals, but regardless of the environment in which case, the individual can perform to their abilities, and attention both to the institutional management system.

###### b) Review institutional capacity

So far, many methods of assessment of institutional capacity has been developed and applied, especially some of the methods of international aid organizations: Method of assessment of institutional capacity and national policy (CPIA), functional assessment methods, evaluation methods of service institutions, methods of administration and anticorruption (GAC), methods of self-assessment of national capacity (NCSA), competency assessment framework UNDP.

###### c) Institutional Capacity Building

In recent years, the term "Capacity Building" has shifted the focus from training interested individuals to the development of new institutional and philosophy here is improving the system, where the individual capacity to be linked together by institutions and large systems.

The term "Institutional Capacity Building" are widely used since the early 1990s, but before that, the terms have similar connotations were used, studied and implemented on actually, starting from the 1950s.

The years 1950 to 1960, a number of international organizations in developing countries desire development assistance for less developed countries. This time, the design of interventions to enhance the capacity of public bodies are known with the term "Institution Building". Improving the institutional focus on the establishment of institutions necessary to operate the functions of the state in developing countries.

The years 1960 to 1970, the theoretical and practical development of using the term "Institutional Strengthening" more than the term "Institution Building" and the goal of development assistance programs in this stage is to strengthen the newly established institutions or institutional improvement. Strengthening the focus at this stage is the personal development through training and guidance skills.

Management developed in the 1970s concerned with managing and carrying out development programs, especially for the development of society and the basic needs of human beings.

In the early 1980s, "Institutional Development" began replacing the term capacity building. Different from the previous point, the approach focused institutional development work with organizations already established in the wider environment.

The late 1980s and early 1990s, the term "Capacity Building" or "Capacity Development" are interested in research and application. Viewpoint improve / develop capabilities and recognize the importance of the environment within which public institutions operate. Therefore, raising / capacity development is seen as the synthesis of the views of management, the social, political and economic.

In the 1990s, studies have change, institutional economics and governance theory is deeper understanding. These studies seek flexibility in the relationship between the implementation and the entire policy and governance in conditions of change. Developing the capacity to become the center of attention of everyone. This view also study the impact of the rules and regulations in the operation of the organization.

The years 2000s, a growing problem is widely recognized for achieving sustainable development requires a process based on partnerships with both government and civil society, including the relationships Contacts between individuals. One of the core issue is "institutional capacity building".

Inheriting the previous study, from the 2000s, many studies about the capacity, institutional capacity was announced, many projects have been implemented.

#### *1.1.4.2. The study of institutional capacity in Vietnam*

In Vietnam, the term "institutional capacity building" were some researchers use as Ph.D. Nguyen Sy Dung with "institutional capacity"; Ph.D. Dang Van Thanh with "institutional capacity building in social and economic development"

Some projects develop institutional capabilities have been implemented, such as: The project Building the institutional capacity of transport management and urban in Haiphong; Project Strengthening institutional and Natural Resources and Environment; The project to improve water management capacity and provide public services in the province of Ninh Thuan, Capacity Building Project coordination and management of international economic integration ...

***1.1.5. The study of the institutional capacity of state administration in the context of the market economy and international integration.***

Studies of state administrative institutions in the context of the market economy is quite rich. However, to date, no public works research on institutional capacity building in the context of the market economy and international integration.

**1.2. The success of the work related to the theme of the thesis**

By studying material in the country and abroad, the author inherited much information related to the thesis. The views, this argument has been widely acknowledged and authors refer to clarify issues of his studies, namely:

- The system of institutional theory.
- The theory of institutional capacity and institutional capacity building.
- Theory of institutional capacity assessment

**1.3. Some problems exist, dissertation research is needed**

- The theory of institutional capacity of state administration and institutional capacity building of state administration.

- Criteria evaluation of institutional capacity of state administration to adapt to the market economy and international integration

- Evaluation of the institutional capacity of state administration in the market economy and international integration of Vietnam.

- Develop the system of solution of institutional capacity building in state administration to adapt to the market economy and international integration of Vietnam.

**Chapter 2.**  
**ARGUMENTS ON INSTITUTIONAL CAPACITY**  
**AND CAPACITY OF STATE ADMINISTRATIVE INSTITUTION**  
**IN THE MARKET ECONOMY DEVELOPMENT AND INTERNATIONAL INTEGRATION**

**2.1. Capacity of state administrative institutions**

**2.1.1. Institutional capacity.**

*2.1.1.1. The concept of institution*

The term "institution" in being understood as a set of rules to regulate / adjust the relationship between the actors have mutual ties with entities involved in the enforcement of those rules.

Institutions include:

Firstly, the set of rules to regulate / adjust the relationship between the actors are bound by mutual;

Secondly, the entities involved in the enforcement of the rules. These entities can be organizations and individuals with the means (material and information) and the mechanisms of their action.

*2.1.1.2. Capacity*

Generally, the capacity of two parts, one is, the ability; and secondly, the conditions to perform a certain activity. Standing on a similarity of terms, the possibility is considered unused capacity.

Three energy levels are shown as follows:

Individual level. Personal Capability refers to the skills, experience and knowledge of each person. Some personal capacity gained through formal training and education, while others acquired through learning by doing and through practical experience.

Organizational level including internal policies, arrangements, processes and frameworks to allow an organization operate and perform the functions and duties of his, creating conditions to promote individual capacity to achieve organizational goals.

Institutional level describes a vast system, including individuals and organizations performing these functions, its duties include the elements may facilitate or restrict the development of energy force.

*2.1.1.3. Institutional capacity*

The concept of institutional capacity to be understood in the broad concept of institutionalization. Institutional not only individual organizations (eg, government agencies), which also includes the rules, procedures or performance prescribed roles of individuals and organizations within and predetermined goals.

Institutional capacity is a broader concept organizational capacity for institutional capacity, including the overarching system, the environment or context in which individuals, organizations and society activities and cooperation interplay (not merely an organization).

In terms of content, the institutional capacity to be considered on two aspects of the legal framework for the implementation and the resources necessary to implement (including human resources, finance, information, network organizations officials and facilities - technical).



Thus, the institutional capacity is understood as the ability of the organization and the level of the system to encourage rules and regulations are used to perform the task.

### **2.1.2. Capacity of state administrative institutions**

#### *2.1.2.1. The concept of state administrative institutions.*

The term state administrative institutions are understood as a system of rules established by the state in the legal text to implement executive power and state administrative organizations along with administrative personnel country to ensure the implementation of these regulations.

Thus, the state administrative institutions include:

1) The system of regulations (institutional framework) established by the state in the legal text to implement executive power, including:

- Provisions as a basis for state administrative agencies for social management;
- Provisions for internal management system of state administration (including provisions on the organization of state bureaucracy and regulations on state administrative personnel);
- The provisions on the relationship between the state administrative bodies to the outside (citizens and organizations)

2) The system of state administrative organizations include:

- The organizational structure and the processes and procedures for internal management organization;
- The personnel of the organization;
- Physical resources of the organization;
- Information systems in organizations.

#### *2.1.2.2. Capacity of State Administrative Institutions.*

Administrative capacity of state institutions is the ability of the state administrative organization and the level of the system to encourage policies and laws are used to perform administrative functions of state.

In terms of content, the administrative capacity of state institutions is reflected in two aspects as follows:

(1) organizational aspect expressed in knowledge, skills and attitudes of the administrative staff of the state in the implementation of the assigned tasks; system processes and procedures along with the condition of material resources and information to create conditions for developing the capabilities of individuals to perform functions of state administrative agencies.

(2) The environmental aspect is reflected in the institutional system of policies and laws as the basis for the operation of private and state administrative organizations. The capacity at this level represents the extent facilitate or restrict the development of individuals and organizations.

In terms of form, the administrative capacity of state institutions reflected in two aspects as follows:

(1) Tangible aspect, the institutional capacity of state administration expressed in number of laws, processes, procedures, facilities, engineering, finance, information systems, by level, professional certificates, the number of people working in state administrative apparatus ...

(2) The intangible aspect, the administrative capacity of state institutions reflected in the quality and level of adaptation of the law, transparency and publicity; quality implementation of laws; working relationships, organizational culture department; knowledge, skills, attitude of staff of public administrations.

### **2.1.3. Factors affecting the institutional capacity of state administration**

#### *2.1.3.1. Enabling environmental level (capacity to encourage and external power)*

- a) element of political leadership.
- b) The mechanism of policy formulation and legislation.
- c) The capacity of the authorities (competent person formulating policies and laws)

#### *2.1.3.2. Organizational level*

- a) Structure
- b) The process and procedures for handling affairs
- c) State administrative HR
- d) The material resources
- e) The information system of the organization

### **2.1.4. Enhance institutional capacity of state administration**

#### *2.1.4.1. Some theoretical issues*

The content of the institutional capacity building of state administration, including:

- Development of a legal framework to ensure the legal suit of the institutional functions of state administration, encourage the state administrative organizations implement their functions
- Develop organizational structures, administrative procedures appropriate state and development of the necessary resources (including human resources, finance, information, networking organizations and facilities - engineering technical) to implement administrative functions of state.

#### *2.1.4.2. Enhance institutional capacity of the state administration in some countries in the world*

- a) Institutional capacity building of state administration to adapt to international integration in Singapore
- b) Enhancing institutional capacities in Thailand
- c) Capacity building of State administrative institutions to adapt to economic globalization in Malaysia

Basically states are keen to build capacity to adapt to integration, towards promoting the development of the private sector, protect vulnerable people in society, enhancing the participation of citizens, increase transparency of administrative activities. The capacity building activities being carried out at two levels: first, build the policy environment, legislation to encourage the development in the direction of transparency, close to people, attracting the participation of residents , maximize human factors; and secondly, building state administrative apparatus compact, efficient capacity to implement system policies, law and provide quality service to the people.

## **2.2. Institutional capacity of the state administration in the market economy and international integration.**

### ***2.2.1. Requirements of the market economy and international integration for state administration institutions.***

First, the economy operated under the laws of the market will deeply impact and poses require strong innovation role and functions of the State in general and administrative institutions of state says in particular, requires change from administration "rule" to the public administration "service";

Second, in terms of integration, open economy, is global, requiring nations to quickly create a comprehensive system of economic institutions, administrative institutions fit that general practice gender; to renew the organizational apparatus and improving qualifications, competence, responsibility of public servants to be able to integrate into the international community, regional community.

Thirdly, with the development of a market economy and integration, the process of democratization of social life has become an inevitable trend, it sets higher requirements to promote democracy facility, attracting strong demand participation of the people in state management, requires ensuring openness and transparency in the institutions, policies and administrative procedures as well as in duty performance.

Fourth, the rapid development of advanced science and technology, setting high requirements on the modernization of the national administration.

### ***2.2.2. The role of state administrative institutions in the market economy and international integration.***

#### ***2.2.2.1. The role of state administrative institutions for the economy.***

Basically, the role of state administrative institutions for the economy expressed as follows:

- a) The role orientations for the development of the market
- b) The role supporting market

First, the institutional support information assurance markets

Second, the institutional ownership.

Third, the state administrative institutions ensure healthy competition in the market, antitrust

#### ***2.2.2.2. The role of state administrative institutions for citizens***

The role of state administrative institutions for civil society in the market economy and international integration are as follows:

- a) Develop and implement mechanisms to attract participation.
- b) Creating an environment that encourages participation.

#### ***2.2.2.3. The role of state administrative institutions with internationally.***

- a) Expanding the world market.
- b) Protection of the global environment.
- c) The prevention and control of conflicts.
- d) Improving the effectiveness of foreign aid.

### ***2.2.3. The evaluation criteria of institutional capacity of state administration adapting to the market economy and international integration.***

#### ***2.2.3.1. The level of public access to information***

Information is the lifeblood of the market. Disclosure of information may mitigate the weakness of the market. Transparency reduces the uncertainty of the market due to policy makers caused.

Disclosure of information enabling more accessible to the capital market and creating better conditions for government financing.

Background information, knowledge and technological development is the foundation for capacity development at national and local policies and development programs reflect national priorities and local and managed and implementation of effective and accountable.

#### *2.2.3.2. The level of public participation.*

To ensure the operation of the government is successful, requires the involvement of stakeholders. The active participation of citizens in matters of state could ensure the state's decision to consider the contributions of the people and also to ensure that people feel confident in the course of action is selected. Ensure the involvement of people can also increase the effectiveness of policies, as the involvement of people can make the implementation process easier.

#### *2.2.3.3. Implementation of external / international relations*

In the context of globalization going strong as now, if a country excluded from the process of globalization, countries that inevitably faced with the risk of falling behind and isolated in the world economy , lose the opportunity to attract resources for economic development as capital, engineering, technology, management skills and market.

Context of external relations are the foundation for long-term sustainable development of a country. In today's world of interdependence, effective management of opportunities and risks inherent in the global economy is very important. It involves the management of development assistance, debt relief, trade and capital flows, migration, international treaties and the relationship with regional organizations and international.

#### *2.2.3.4. Accountability of the public sector*

Accountability is a fundamental attribute of governance and public administration. It has special meaning important to the prevention of corruption and improve the efficiency of the supply of goods and services. Accountability in the public sector is conditional mobilize the participation of citizens in the process of planning, building, implementing policies and monitoring the activities of all levels and sectors.

Accountability is basically guaranteed to the people, state and non-state organizations have a legal basis and the ability to force the agencies and public officials explanation on what to do, not do or not do in the course of their public duties.

**Chapter 3.**  
**CAPACITY OF STATE ADMINISTRATIVE INSTITUTION**  
**IN THE MARKET ECONOMY DEVELOPMENT AND INTERNATIONAL INTEGRATION**  
**IN VIETNAM**

**3.1. Background of market economy and international intergration in Vietnam**

***3.1.1. The formation and development of market economy in Vietnam.***

***3.1.1.1. Period before 1986***

1979 is recognized as the start of the inquiry innovation - economic reform in Vietnam. Central Executive Committee of Communist Party of Vietnam lock IV issued Resolution No. 6 of which accept the existence of the household sector in handicraft and private capitalist production for some commodities; also accept the free market as a complement to the organic sector and "market plan", aimed at the exploitation of resources inherent in all economic sectors to develop production and ensure life .

***3.1.1.2. The period from the Congress VI (1986) to the end of the Congress VIII (2001).***

Resolution VI th Congress of the Party (1986) marked the renewal of economic policy. Up to 1989, with Resolution No. 6 of the Executive Board 6 th Party Central (1989), the State policy has shifted to a single market, common throughout the country and associated with international markets; accepted a price policy - it is market price.

***3.1.1.3. The implementation phase of the objectives of the Congress IX (2001-2006)***

Congress IX generalized model market economy development represents systems thinking about the general pattern of Vietnam in the period of transition to socialism, that is the market economy socialist orientation

Congress passed XI Platform for national construction in the transition to socialism (supplemented and developed). These are important documents characterize the era and the road to socialism in Vietnam in the next decade. Economic Development Strategy 2011-2020 socio-determined three important breakthrough to change the growth model extended in depth and deep integration, broad global economy.

***3.1.2. International integration process in Vietnam.***

The development process of the Party of thinking about international integration essentially just start with the innovation being the Sixth Congress (1986) Starter.

The term integration begins first mentioned in Acts VIII Congress of the Party (1996). By the ninth Congress (2001), advocated international economic integration continues to be stressed. However, views on international economic integration is the most concrete expression in Resolution No. 07-NQ / TW of the Politburo IX (2001) on international economic integration. Congress (2006) reaffirmed the policy of proactive and positive international economic integration and indicated the direction "while expanding international cooperation in other fields." Period between Congress and Congress XI have qualitative change in international integration culminating in our country officially became a member of WTO (2007).

Thus, the international integration of Vietnam is a gradual process from low to high takes place on all aspects of unilateral, bilateral and multilateral, mainstreaming the scope subregional, regional,

inter-regional and Global, takes place on most fields including goods, services, investment, intellectual property ...

### **3.2. Assessment of the institutional capacity of State Administration in Vietnam**

Capacity assessment is a breakdown between the desired capacity and the existing capacity. The purpose of the assessment is to determine the capacity vital capacity already exists, create an understanding of existing capacities and identify additional capacities need to achieve goals. Capacity assessment helps analyze the gap between the capacity that we have (assets Capacity) with capacities that we want (demand capacity).

#### ***3.2.1. Status of the institutional capacity of State Administration of Vietnam.***

##### *3.2.1.1. The level of public access to information*

In general, the current legal framework has comprehensive coverage of the information must be made public. However, these regulations are scattered in many different legal documents, making it difficult for state employees know what their obligations are related to the type of information to the public.

Oversee issues of access to information has not been specified. The remedies to ensure access to information in Vietnam's legal framework is still missing.

According to the survey results of the author, with the question: "How are you assess the level of access to information on state administrative activities in Vietnam today?" Results obtained answer is that most of the respondents said that they have access to information, but the level is not high.

##### *3.2.1.2. The level of public participation*

Public participation was specified in the Ordinance Implementing democracy in communes, wards and towns in 2007. In the Constitution of 2013, participation rights of people is clearly stipulated in Article 28. However, Actually when implementing this mechanism is inadequate. Assessing the level of public participation in the management of the state in Vietnam today, the answer is generally believed to have been involved people but the level is not high.

The level of participation of citizens in the state administrative activity was low with many causes. To the agencies and state administration officials apparently no mechanisms and activities to encourage participation. As for the people and not actively participate. Generally, people only participate in activities directly related to their interests. Another part is that people lack information and knowledge to participate in state administrative activities.

##### *3.2.1.3. Implementation of external / international relations*

To create a legal framework for foreign affairs / international relations, Vietnam has issued many documents, reflects the views of Vietnam on creating a favorable environment for foreign investment

Although achieving these important basic results, but the attraction, use and manage foreign investment recently has exposed some limitations and shortcomings.

In the framework of the author survey, answers to questions like how to assess the level of implementation of external relations / international agencies and state administration officers Vietnam today, the reviews generally still appreciated.

However, to do so now faced two hurdles that need improvement. One is consistency in managing the state, need to pay attention to national interests, and secondly, knowledge, skills and experience of staff and officials, especially foreign language skills of civil servants a weakness.

#### *3.2.1.4. Accountability of the public sector*

Although Vietnam has had several specific documents h<sup>ó</sup> phaong motto "people know, people discuss, people do and people check" but the actual implementation of this document is inadequate.

Survey results are based on the opinions of the people and the State Administration officials also showed levels of accountability of agencies and officials of state administration in Vietnam is not high. Thus, we can see the real situation ensuring the accountability of the State Administrative Institutions Vietnam are currently lower, failing to meet the needs of the people.

### ***3.2.2. Demand for the institutional capacity of State Administration in the context of the market economy and international integration of Vietnam.***

#### *3.2.2.1. The demand for public access to information*

Despite Vietnam's legal framework has many provisions requiring public some certain type of information, but has not guaranteed for people to access the information.

Quite obviously, the demand for public access to information is large. According to survey results, all the people have said, they need to be provided information with different levels. Therefore, Vietnam should have been the mechanism and concrete action to guarantee the right to public access to information.

#### *3.2.2.2. The demand for public participation.*

Provided that economic development and social in Vietnam today, the trend of citizen demand increasingly advanced development by educational level and the level of transparency of state administration activities. Therefore, ensuring the participation of citizens not only shows the level of administrative democratic state but also to ensure use of all resources in society and providing public services to adapt to the requirements of citizen.

#### *3.2.2.3. Demand for quality improvement activities of external / international relations*

The implementation of international cooperation has brought a lot of resources for economic development in Vietnam. In the trend of globalization today, the agencies and state administration officials to be equipped with the capacity to carry out international cooperation to be effective, raising Vietnam's position in the international arena. Survey results also showed that residents and officials praised the role of the implementation of foreign relations and international cooperation. Despite some reviews hesitate in implementing of foreign relations and international cooperation of Vietnam. But basically the idea was for that, Vietnam needs to perform this activity.

By analyzing the context of the fact that, Vietnam has been expanding cooperative relations with many countries of the world, therefore, needs to build offices, state administrative officer of adaptability to ensure the implementation of these activities.

#### *3.2.2.4. Demand for the implementation of the accountability of the public sector*

With the democratization of social life is increasingly high, more and more people require more in agencies and state administration officials. The people want the authorities and public offer, explain

or clarify the information on implementation of the tasks and powers assigned to and responsible for the consequences related to the use of the competence and the its resources.

Survey results showed that the needs of people and the awareness of state administrative officials for ensuring accountability is very high with over 90% of people surveyed answered that the agencies and State administrative officials necessary and essential to ensure accountability.

By analyzing the situation and needs of institutional capacity of State Administration Vietnam can see pretty far gaps between the current situation and status capabilities institutional capacity of State Administration

Thus, it can be affirmed that in Vietnam today are in need of improving the administrative capacity of state institutions to adapt to the market economy and international integration.

### **3.3. Factors affecting the institutional capacity of the state administration in Vietnam nowadays.**

For the most basic conditions to operate the market economy and international integration, the administrative institutions of state of Vietnam has gradually switch from one institutional role of bureaucracy, rigid, social management mainly by the orders, directives become institutional flexibility, closer to the citizens, creating a legal framework for the operation of the market economy and promote international integration process.

#### ***3.3.1. The legal framework***

Currently, in terms of quantity, Vietnam had adequate laws to regulate the social sector. Quality writing detailed regulations have not been high, with the content specified in documents detailing the lack of formal policy analysis, specific studies underemployment, lack of factual

##### ***3.3.1.1. The political leadership of the Communist Party of Vietnam***

Communist Party of Vietnam has a more comprehensive approach to advance the process of national renewal and decided to promote the stronger involvement of citizens and strengthening solidarity and active international integration. In the past 25 years, political and social structure of Vietnam has gradually progress towards opening up and creating more opportunities for the people involved.

The leadership of the Communist Party of Vietnam, in principle, that there is a separation between the active leadership of the Party and state activities. However, in reality there is no separation between the activities of the party with the activities of the State. Party general direction for the state agency to make, and there is still interference in the administration and management of the State. Meanwhile, the Party still confused, there is not a strong leader, decisive in the process of promulgating policies and laws to concretize the leadership of the Party. Activity process monitoring policy and legislation are not really good policy should also state, far from the actual law, are not feasible.

##### ***3.3.1.2. Mechanisms of policy and law formation***

Current legislative process less efficient because if under normal procedures, a draft law will be completed appraisal Justice Ministry, the Government, through the examination of relevant Committees of the National Assembly and the Congress first before commenting to the new session after discussion and approval. Besides, according to the current regulations, the process of developing policy and legislative processes, elaboration is separated, causing slowness policy to life. Another



shortcoming is, in fact, the program for making laws and ordinances of the National frequently adjusted due to the change of the economic situation - social.

#### *3.3.1.3. Regarding the capacity of the authorities*

Parliament now has a majority of deputies part-time deputies for not much activity, while the session included many issues, requiring deputies to handle a large amount of information. This affects the control enact Laws and policies likely to create risks for institutions

Besides the lack of skilled experts in drafting the bill, which is actually skills translate policies into the legal one is quite new science in our country, the capacity of this machine has been limited by the confusion of functions between public officials and politicians.

How to organize and editing capabilities are also a cause for long-time editor and high quality.

#### **3.3.2. State Administrative Organizations**

As of July 1, 2012, the number of state administrative agencies in Vietnam was 34,803 and the number of units is 69,735.

##### *3.3.2.1. Regarding the organizational structure*

The changes in the Constitution and the Law on Government Organization has brought tangible results, with the number of ministries, ministerial-level agencies and independent bodies national level is reduced.

However, the regulating functions and tasks of the agency are general, overlapped. Condition duplication, cut the state management function resulted when the incident occurred, the agency passing the buck to each other.

##### *3.3.2.2. About processes and procedures in handling affairs.*

Recently, a number of reforms being made to simplify, and improve the public consultation process concerning the administrative procedures also received the support of senior management.

Implementing applying quality management system standard ISO 9001: 2008 in State management activities to be promoted.

Despite improvements in administrative procedures applied by the OSS, it is not immune from complaints. Although there is only one door mechanism but for the complex administrative procedures, the processes are also complex.

##### *3.3.2.3. The material resources*

Currently, most state administrative agencies have a stable office, the basic working facilities are met, funds are made according to current regulations.

Organizationally, the management of these resources is done fairly closely with system management agencies from the central to local (Public Property Administration - Ministry of Finance of the authorities in ministries, public authorities at local production).

However, the actual situation of the use of state property for improper purposes, false standards and norms wasteful happen quite common in the field, the agencies and organizations. The specialized state management of state real property is limited, passive and lacking professionalism. Speed increase of total public debt rapidly in recent years are becoming more concerned issues.

##### *3.3.2.4. About Information Systems*

About infrastructure service IT applications: in the ministries, ministerial-level agencies, Government agencies generally meet the needs for IT applications; in the provinces and cities directly under the Central Government, the rate / province level as good or excellent response over 90%. The IT applications serving the people and businesses increasingly improve efficiency. Regarding the organization of information security and the elaboration of mechanisms and policies to promote IT applications are concerned agencies and regular growth.

#### *3.3.2.5. State administrative HR*

As of July 1, 2012, the number of persons employed in administrative departments as 942 676 people, the number of people working in business units is 2,207,588 people. The number of employees is quite high working for the state administrative organization does not mean better quality work.

Vietnam has been a certain progress when assigned, the groups working in the public sector. Law officers and public officials Law 2010 of 2008 and underlines the distinguished group of people working in the administrative offices of state and groups who work in the public service units.

However, the restrictions on civil service management has made the public service activities are not managed and controlled, arising out of negative affect morals, manners, style of work of civil servants, reduced creativity in public service activities, reduced effectiveness and efficiency of the agencies and organizations of the State in the process of serving the people.

## Chapter 4.

# ORIENTATIONS AND SOLUTIONS FOR INSTITUTIONAL CAPACITY BUILDING OF STATE ADMINISTRATION ADAPTING THE MARKET ECONOMY DEVELOPMENT AND INTERNATIONAL INTEGRATION IN VIETNAM

### 4.1 Basis of legal and political of proposed solution

#### 4.1.1. *Political Background: The views of the Communist Party of Vietnam.*

In terms of viewpoints, Communist Party of Vietnam development oriented market economy and international integration, promotion of the people's sovereignty, openness and transparency, improve the quality, effectiveness construction and law enforcement. This is an important prerequisite to be able to enhance the institutional capacity of state administrative adapt the market economy and international integration of Vietnam today.

#### 4.1.2. *Legal basis: the provisions of the Constitution in 2013*

These regulations guarantee the right of access to information, enhance the participation of citizens in state management activities, implementation of external relations and enhance the accountability of the state agencies have been instrumental embodied in the Constitution of 2013

### 4.2. Directions to building the institutional capacity of the state administration adapting market economy and international intergraytion in Vietnam

#### 4.2.1. *The institutional capacity of state administration in level of enabling environment to adapt to the market economy and international integration*

##### 4.2.1.1. *Ensuring public access to information*

To ensure public access to information, the authorities (who have competence in building the system of policies and legislation) should be enhanced capacities follows:

Firstly, the ability to create a vision, sense of fairness in access to and supply of information

Secondly, capacity building and strategic policies to ensure access to and provision of information and knowledge during the development and planning

Thirdly, the capacity to assess needs and allocate budget resources to develop capacity in the field of construction management and information

Fourthly, the capacity to implement programs and projects to improve access to information, technology and knowledge development

Finally, the ability to monitor and assess the extent of ease of access to information and knowledge of the people at all levels

##### 4.2.1.2. *Ensure the public participation*

To achieve the participation of all stakeholders in the process of developing and implementing policy, the authorities should have the following capabilities:

Firstly, there is the ability for widespread and meaningful public participation throughout the process of developing policies and national development plans and / or local

Secondly, have the capacity to ensure decentralization and encourage the participation of civil society, private sector, donors and other development organizations throughout the policy development and strategy

Thirdly, have the capacity to ensure public participation in budget implementation and management of resources

Fourthly, have the capacity to implement and manage programs, projects and mechanisms to ensure participation

Finally, have the capacity to ensure the availability and accessibility of communication mechanisms and feedback

#### *4.2.1.3. Implement of external / international relations*

To create an environment that encourages foreign affairs / international to be effective, the authorities need the following capabilities:

One is capable of performing the mapping and SWOT (strength, weakness, opportunities and Challenges) of the economy, society and people

Secondly, have the capacity to design policies and build strategies for streamlined priorities of external partners with national priorities

Thirdly, there is the ability to mobilize resources from external sources

Fourthly, there is the ability to implement programs, projects and aid coordination, better management of external relations

Finally, there is the capacity to monitor and assess the effects independently of aid coordination and management of the debt reduction strategy

#### *4.2.1.4. Ensure accountability of public sector*

In the context of Vietnam today, to obtain regulatory environment ensuring accountability of the public sector, the authorities should have the following capabilities:

Firstly, the ability to develop mechanisms responsible for ensuring provision of efficient services.

Secondly, the capacity to develop and manage these accountability mechanisms to ensure that policy development and strategic clarity and transparency.

Thirdly, the capacity to carry out cost and resource mobilization based on the financial impact of the strategy and program

Fourthly, the capacity to implement programs and projects in collaboration with local agencies and the participation of citizen groups

Finally, the capacity to build mechanisms for monitoring and evaluation of program and policy evaluation

### ***4.2.2. The institutional capacity of state administration in level of organisational to adapt to the market economy and international integration***

#### *4.2.2.1. Raising the level of public access to information*

The state administrative agencies should have the following specific capabilities:

Firstly, the ability to evaluate and analyze gaps of knowledge and information at all levels to adjust better targeted to programs / services

Secondly, capacity building and strategic planning related to information, knowledge and technology

Thirdly, the ability to manage the program budget to ensure access to and management of information and knowledge and technological development

Fourthly, the capacity to implement the programs and initiatives of information management and technology

Finally, the ability to monitor and evaluate approaches availability of information and knowledge for development for employees and their customers

#### *4.2.2.2. Ensure the public participation*

The state administrative agencies should have the following capabilities:

Firstly, the capacity to conduct a comprehensive analysis of the situation to promote meaningful participation and widespread

Secondly, the ability to develop policies and strategies to promote the participation and empowerment

Thirdly, likely attracted the participation of employees and its customers in making the decision to allocate budget and resources

Fourthly, the ability to support implementation and the network for stakeholder participation and inclusion of marginalized groups

Finally, the ability to monitor and evaluate systematically the effectiveness of policies and programs on the level of participation.

#### *4.2.2.3. Improve the performance of external / international relations*

To ensure the implementation of foreign relations / international results, efficiency and sustainability, The State administrative agencies Vietnam need to do is the following:

Firstly, the capacity to implement a SWOT (strength, weakness, opportunities and threats) analyzes Comprehensive eg in areas such as management practices, knowledge and skills, financial and material resources

Secondly, build capacity for long-term policy and strategy for growth and development in a market economy and globalization and strong links

Thirdly, the possibility of negotiating external resources and effectively manage external funding

Fourthly, the capacity to implement programs and projects to facilitate better management of external relations

Finally, the ability to monitor and assess the management of relationships with external partners

#### *4.2.2.4. Improving the public sector accountability*

Firstly, the state administrative agency has the ability to develop a comprehensive accountability mechanism based on the analysis of the primary responsibility issues

Secondly, the state administrative agency has the ability to develop and manage these accountability mechanisms to ensure that policy development and a clear strategy

Thirdly, state administrative agencies have the management capacity and accountability mechanisms related to the mobilization and allocation of resources

Fourthly, capable organization implements accountability mechanisms widely

Finally, the state administrative agency has the ability to develop mechanisms to monitor and assess the implementation of organizational responsibility

The specific capacities shown above is shown on four contents: Firstly, raising the level of access to information of people; Second, ensure the participation of the people; Third, improve the operational efficiency of external relations / international; and fourth, enhance the accountability of the public sector. The capacity is shown as a frame of institutional capacity (thesis has proposed capacity framework)

### **4.3. Solutions to building the institutional capacity of the state administration adapting market economy and international intergraytion in Vietnam**

#### ***4.3.1. Encourage capacity building: Improving the system of policies and laws to adapt to the context of the market economy and international integration***

In the market economy and international integration, the role of law is particularly important. The law stipulates the rules and for the individual rights and tools to enhance the effectiveness of these rules. Laws are applied equally, transparent and equitable for everyone.

Vietnam has a massive system of legal documents. The challenge now is no longer guaranteed an adequate legal system to regulate all social relations which is to ensure that the legal system that has consistent, workable and well understood by the public and the law enforcement officials there.

To build a complete legal system and adaptive sync with the market economy and international integration, the solutions need to consider three key issues, namely: innovative thinking and methods leadership of the Communist Party of Vietnam; change mechanism for policy formulation and legislation towards science and more close to people; improve policy formulation and legislation of the authorities

##### *4.3.1.1. Innovative thinking and leadership methods of Communist Party of Vietnam*

State administrative institutions in a market economy to support the ruling party in order to classify policies necessary operating economy. Because economic analysis is the field of professional and technical value-laden, no political party has all the experience and sufficient information to be able to set policies. Therefore, the Party must rely on the Public Service conducted some analysis and develop policy options and whittle find out the advantages and disadvantages of the various policy options.

To enhance the institutional capacity of state administration to adapt to the market economy and international integration of Vietnam, on the party leadership to make some following contents:

Firstly, the political will is strong commitment and high degree of autonomy of the political authorities and administration, sustainability and stability throughout the process of improving the administrative capacity of state institutions.

To successfully implement this process should have been the strong political commitment and stability. Consistency in the way and the determination of the Party leadership is an important factor for the successful implementation of the institutional capacity building of State Administration.

Secondly, change the methods of party leadership

Party shall accept and promote the idea of the Government is the basis of technical analysis and recommendations for policymakers on behalf of the Party. Meanwhile, the party has made the decision

and the final approval, it will be considered administrative apparatus is the support professional and technical level.

Party leaders without justification, does not affect the state administrative bodies. Party should set out the policy, guidelines and should not interfere in the work is technical administration.

Besides leadership activities and orientation, the Party should have oversight institutions, ensuring that directions are implemented through various channels. Opinion of the people is an important information channel in surveillance activities of the Party.

#### *4.3.1.2. Change of policy formation mechanism and laws towards science and close more people*

Firstly, it should separate policy making function from the function of drafting legal documents, accompanied by strengthening consultations - directly or indirectly - and policy studies before construction bills.

Secondly, evaluate the cost and impact of the legislation in time in the course of making laws.

Thirdly, strengthening the participation of citizens in the process of law making.

Fourthly, enhance the legal awareness of citizens.

Finally, modernize methods and means of making laws.

#### *4.3.1.3. Capacity building policies and laws of the authorities*

In the market economy and international integration, the authorities should have the functional capacity. Specific functional capacity is the capacity required for the successful creation and management of policies, legislation, strategies and programs, such as the ability:

- Ability to analyze the situation.
- Energy policy design and build strategy
- Capacity to allocate resources and budget
- Capacity to implement programs and projects
- Energy monitoring, evaluation and learning.

The administrative capacity of state institutions to be specifically expressed in the implementation of the basic functions of state administrative institutions in the current conditions. These competencies are specified according to capacity framework.

#### *4.3.2. Capacity building of state administrative organizations*

Vietnam has achieved political consensus is quite high in the determination to improve the effectiveness and efficiency of state administration. This is evident in the documents of the Communist Party of Vietnam, in the policies and strategies of the State and of public opinion. However, to achieve success in capacity building, the state administrative institutions need strong reforms to get the capacity to adapt to the context of the market economy and international integration .

##### *a) Regarding the organizational structure of state administration*

Clearly define the role of government in the market economy and international integration as the basis for the restructuring and consolidation of organizational structure of the government, according to the objectives and requirements of the new situation. Review functions and tasks of the agency in the machine, assign, streamlined, avoid duplication, omissions, avoid taking on the work.

Construction state administrative apparatus compact. Further promoting distributed and decentralized, especially use of private forces in provision of public services, reduce the burden on state administrative agencies.

b) Standardize processes and procedures for handling affairs

Develop processes and procedures for solving scientific tasks, simplifying the administrative procedures. Promote application management system ISO 9001: 2008 in the state administrative procedures.

c) capacity building for staff of public administrations

In the market economy and public service partners the private sector and the community in the whole process of economic development. Public servants must realize that their pay comes from the prosperity of the private sector through tax and other revenues of the state, so the government wants to help the private sector develop.

The change of the role of government led to the development of a professional civil service. Civil servants need to have the appropriate capacity to change its function, which is the capacity:

Recognizing the obligation serving people

Awareness needs to change to better serve the people and serve the economy

Recognizing the value of the analysis and transfer of information to the society and economy to social perform its functions

Attitudes and behavior totally honest in relationships with other organizations and with citizens

Skills of managers in planning, organization, operation and supervision of programs and government services to society

The technical capacity to conduct policy analysis in the areas of technical expertise of civil servants as policy and investment practice in the country and abroad.

The capacity can be formed through the following measures: Training behavior, training confidence building, effective job training and general management capacity through specific case studies and in-service training; The seminars and the experts of the industry and the field trip to the local authorities and, learning how to analyze and develop policy

d) Ensure the physical conditions and processes information for capacity building

Capacity building is not a one-time intervention. That is an iterative process of design - application - learning - adjusting. This process requires a relatively long amount of time and resources to implement. Firstly, source of financing; Secondly, the source of information; Finally, infrastructure.



## CONCLUDE

For the purpose of research a framework of institutional capacity of state administration to adapt to the market economy and international integration, the scientific basis for institutional capacity building of state administration in Vietnam, the thesis systematized the institutional research, institutional capacity building of scientists and international organizations, thereby, to clarify the requirements of institutional capacity in the market economy and international integration. Through the assessment of institutional capacity in Vietnam, the thesis points out the need for improved institutional capacity to adapt to the market economy and international integration. The thesis also developed some specific groups of measures to enhance the institutional capacity of state administration in the current conditions of Vietnam. Through the thesis research, we can draw some important conclusions:

1) Vietnam has an economy operating under the market economy and international integration depth. The concept of the institutional capacity of state administration previously unsuitable. Vietnam is very necessary to build the institutional capacity of state administration to adapt to current conditions.

2) Institutional capacity state administration is the ability of the state administrative organization and a system of policies and laws are used to perform administrative functions of the state. Institutional capacity of state administration is not only the ability of individuals, organizations and public administrations but also the condition of the system suitable policies and legislation.

3) In order to adapt to the market economy and international integration, the state administrative institutional need for new capacity compared with the state administrative institutions of the era centralized bureaucracy and subsidies. These capabilities are being evaluated in four criteria: Firstly, ensure accountability of the public sector; Second, ensure the public access to information; Third, ensure the public participation; and fourth, implementing of external / international relations.

4) Vietnam is there a gap between the reality and the needs of institutional capacity of State Administration. To solve this problem, it is necessary to conduct capacity building of state administrative institutions to adapt to the new context.

5) To enhance the administrative capacity of state institutions Vietnam in the current context, it should impact on the factors affecting the administrative capacity of state institutions, namely: the leadership of the Communist Party Vietnam, mechanisms of policy formulation, legislation, competence of authorities, organizational structure of state administration, state administrative personnel, state administrative procedures, physical resources and systems State administrative information.

Looking to the future, Vietnam will face many challenges in the transition completely to position a middle-income country and bring prosperity to the people of Vietnam. Improving the institutional capacity of state administration to adapt to the market economy and international integration is one of the important conditions for Vietnam to achieve strong growth in the future.