



University of Potsdam
Faculty of Economic and Social Science

PhD Dissertation

Local Government on the Way to Good Governance The case of Hanoi and Berlin

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Potsdam, August, 2012

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Acknowledgement

In the small space here, I am unable to express my gratitude to all those who made this dissertation possible. However, I would like to acknowledge with special thanks:

- Prof. Dr. Werner Jann for providing the overall guidance, for encouraging me to follow my research ideas and for providing support whenever I needed it.
 - Prof. Dr. Christoph Reichard for providing constructive comments and supporting me throughout the whole process.
 - Prof. Dr. Kai Wegrich for spending time with my initial ideas at the beginning of my research.
 - DAAD (Deutscher Akademischer Austausch Dienst - German Academic Exchange) which sponsored my scholarship for Ph.D study from 2004 to 2007, especially Ms. Burbach, my contact person at DAAD for all of her support.
 - To all those who agreed to be interviewed in Berlin and especially in Hanoi, whose names are not mentioned in my dissertation as promised.
 - To the owners of the two websites, viet.studie and talawas, who provided me with access to a wealth of materials.
 - To the National Academy of Public Administration (NAPA) for giving me the opportunity of post-graduate study in Germany. This study reflects the ideas and concepts of this author and not of the organisation.
 - Special thanks to Colleen Brodbine-Boyarsky, who dedicated her precious time and patiently edited my work through this long process.
 - Many thanks to my friends, Eva Hauser, Nina Holzhauser, Thila Ravi and Kathryn Phillips, who are always there whenever I need them. Thanks for all of your help, care and support. Thanks to my little son, who let me work almost every evening on my dissertation, even though he believed that "Mama, Doktorarbeit, sowas gibt's nicht".
- Thanks to my husband, for being with me until the end of the process, for listening to all my complaining and patiently tolerating all my frustrations.

Last but not least, thanks to my family in Vietnam and to my new families in Germany and Poland, and to all my friends for their continuous encouragement and inspiration.

My special thanks to my parents and my two sisters for their unconditional love, support and encouragement to be who I am and to go my own way.

Rostock, July, 2012
Vu Thi Thanh Van

Abstract

Bad governance causes economic, social, developmental and environmental problems in many developing countries. Good governance advocated by the international development community and recommended to developing countries has become more widely over time. Developing countries have adopted a number of reforms that have assisted in achieving good governance. The success of governance reform depends on the starting point of each country – what institutional arrangements exist at the out-set and who the people implementing reforms within the existing institutional framework are. This dissertation focuses on how formal institutions (laws and regulations) and informal institutions (culture, habit and conception) impact on good governance.

The research achieved its aim through a comparison of Berlin and Hanoi. Different as they are, these cities are ideal to illustrate the role of formal and informal institutions in promoting local good governance. This dissertation focuses on three characteristics central to good governance - transparency, participation and accountability. These characteristics are examined through an extensive study of different sources of data including literature, research results, reports, newspapers, internet and personal interviews.

Legal documents directly influencing transparency, participation and accountability are also used as a primary source of objective data in this study. The normative and cultural pillars of common main values, and the norms and practices in society that drive the behaviour of local governance agents in the two cities are defined by Hofstede's cultural dimensions, the questionnaire responses via email of eighteen foreign experts in Vietnam and 36 semi-structured interviews of local officials and deputies in Hanoi and Berlin.

This research produced a number of key findings: Good governance in Hanoi and Berlin represent the two extremes of the scale, while governance in Berlin is almost at the top of the scale, governance in Hanoi is at the bottom. Good governance in Hanoi is still far from achieved. In Berlin, information about public policies, administrative services and public finance is available, reliable and understandable. People do not encounter any problems accessing public information. In Hanoi, however, public information is not easy to access. While some types of information such as government and party guidelines are well disseminated by the state media and local governments, information on many public policies that affect people such as city planning, land clearance, etc., is not available to everyone.

There are big differences between Hanoi and Berlin in the three forms of participation. While voting in Hanoi to elect local deputies is formal and forced, elections in Berlin are fair and free. The candidates in local elections in Berlin come from different parties, whereas the candidacy of local deputies in Hanoi is thoroughly controlled by the Fatherland Front. Even though the turnout of voters in local deputy elections is close to 90 percent in Hanoi, the legitimacy of both the elections and the process of representation is non-existent because the local deputy candidates are decided by the Party and as deputies they do not really represent local opinion.

The involvement of people in solving local problems is encouraged by the government in Berlin. The government supports local citizen participation by offering different channels for people to submit their ideas and supplying the necessary resources to realize meaningful interaction. The different initiatives include citizenry budget, citizen activity, citizen initiatives, etc. Individual citizens are free to participate either individually or through an association. Civil society through different types of association acts as very important vehicles for people to voice their opinion about public policy processes.

Other forms of participation promoted by the local government in Hanoi under the auspices of grassroots democracy are implemented in a very formal way and do not enhance direct democracy as the decree mandates. In Hanoi, the increasing number of non-government organisations does not really strengthen civil society. Mass organisations which encompass main sectors are monopolistic representatives of each section of society (women, youth, the elderly, farmers ...). People are compulsory "volunteers" in these mass organisations. As matter of fact, mass organisations are state organisations rather than organisations of the masses but they are still the main channels through which people can participate in public policy process.

Lacking transparency and participation, the quality of public service in Hanoi is poor. Citizens seldom get their services on time as required by the regulations. Citizens who want to receive public services can bribe officials directly, use the power of relationships, or pay a third person – the mediator ("Cò" - in Vietnamese). The existence of "Cò" as a mediator in public service delivery is a type of organised corruption. Most cases of petty corruption are accepted although it is seen generally as a negative influence in market economy.

In contrast, public service delivery in Berlin follows the customer-orientated principle. The quality of service is high in relation to time and cost. Paying speed money, bribery and using relationships to gain preferential public service do not exist in Berlin. Using the examples of Berlin and Hanoi, it is clear to see how transparency, participation and accountability are interconnected and influence each other. Without a free and fair election as well as participation of non-governmental organisations, civil organisations, and the media in political decision-making and public actions, it is hard to hold the Hanoi local government accountable. It is mostly Party members who have won elections of People's Councils at all levels. It does not matter if they do their job well or not, because in the next election their Party, the CPV, the only Party, will be re-elected.

The main conclusions drawn from this research are that the differences in the level of good governance lie in the institutions (regulative pillar, normative and cultural-cognitive pillar) of the two cities. The key differences in formal institutions (regulative and cognitive) between Berlin and Hanoi reflect the three main principles: rule of law vs. rule by law, pluralism vs. monopoly Party in politics and social market economy vs. market economy with socialist orientation.

Grounded in different ideologies and governance approaches, the formal regulations in Hanoi and Berlin have set the level of transparency, participation and accountability in each of the cities.

The favoured regulative systems (formal regulations) of transparency, participation and accountability have been designed in Berlin. This is a necessary condition for good governance. Transparency and participation in Berlin follow the pluralism principle that ensures the diversity and freedom of participation. In Berlin, transparency and participation as basic human rights are ensured by the Basic Law. The rule of law ensures that laws are seriously enforced and respected by all involved.

In Hanoi, the Constitution also defines the right of citizens to be informed, to express their ideas, and to participate. Instead of being enforced, those rights have been redefined and restricted by other legal documents. The Court is not independent and a separate institution with an obligation to verify if laws are in accordance with the constitution does not exist. In Hanoi, transparency is limited, the availability and accessibility of public information are under the strict control of the state. All media belongs to the government or the party and are allowed to express views of the Communist Party of Vietnam (follow the

right-side - lê phai). There is no participation in terms of enhancing civic spirit or real participatory democracy, because first and foremost, Vietnam's polity is characterized by its one-party political system.

The unclear division of jurisdiction between the central and local levels with their numerous unstable and out-of-date legislations, and the ambiguous collective leadership create conditions which enable local government to operate unprofessionally. After more than 20 years of Doi Moi, the Party does not want to make any meaningful initiatives to change the structure of polity in the direction of separation of power and pluralism. The reform is not intended to replace the old formal institutions of the centrally planned economy based on administrative order by a completely new institution of a market economy based on rule of law. Governance based not on the rule of law, but on criticism and self-criticism as the sanction mechanism and the integrity of party members to set a good example for people does not function as expected. There is no efficient mechanism to hold the Communist Party of Vietnam accountable for their actions due to the lack of free and competitive elections and rule of law in Vietnam.

The understanding and practice of values such as democracy and corruption are very different in the two cities. Aside from pluralist vs. centralist democracy, cultural dimensions such as individualism vs. collectivism, power distance, and the long-term orientation of the two countries strongly influence the level of governance in Hanoi and Berlin.

Another important conclusion of the research was based on the interaction between the formal and informal institutions which create the logic of appropriateness for governance actors in each city. Individuals in their institutional setting are able to influence and gradually create a new institution.

In Berlin the logic of appropriateness and codes of conduct are respect for laws, respect of individual freedom and ideas and awareness of community development. People in Berlin take for granted that public services are delivered to them fairly. Ideas such as using money or relationships to shorten public administrative procedures do not exist in the mind of either public officials or citizens.

In Hanoi, under a weak formal framework of good governance, new values and norms (prosperity, achievement) generated in the economic transition interact with the habits of the centrally-planned economy (lying, dependence, passivity) and traditional values

(hierarchy, harmony, family, collectivism) influence behaviours of those involved.

Under a market economy with a socialist orientation and rule by law, petty corruption is justified through the traditional values of harmony, family and collectivism or current values including success, and prosperity. In Hanoi “doing the right thing” such as compliance with law doesn’t become “the way it is”. Governance actors (local officials, deputies, private sector, and citizens) do not receive serious consequences when they break formal rules. If they do follow the formal rules on the other hand, they face a lot of difficulty, loss of time, loss of chance to receive good service, a break in culture or traditions and lost opportunities to earn more money for their family or maintain relationships. Non-compliance with laws and petty corruption is gradually being taken for granted.

The unintended consequence of the deliberate reform actions of the Party is the prevalence of corruption. The socialist orientation seems not to have been achieved as the gap between the rich and the poor has widened. No matter what reasons are used to justify those actions of self-interest there is a terrible loss to society through the degradation of morals and of important values such as honesty, courage and justice.

This research argues that good governance is not achievable if citizens and officials are concerned only with their self-interest. State and society depend on each other. Theoretically to achieve good governance in Hanoi, institutions (formal and informal) able to create good citizens, officials and deputies should be generated. Good citizens are good by habit rather than by nature.

In Hanoi, individualism has a controversial relationship with egoism (selfishness). However, acting under the name of the family, consensus and harmony in Hanoi is indeed very selfish and short sighted because it leads to a low quality of life, no sustainable development and an unjust society. People in Hanoi should have a better understanding of citizens’ rights and should demand that officials and deputies act more professionally and take more responsibility for the community instead of for their family only.

The rule of law principle is necessary for the professional performance of local administrations and People’s Councils. When the rule of law is applied consistently, the room for informal institutions to function will be reduced.

The loss of trust in the Party may also be a good reason for the Party to take meaningful steps toward formal structure reforms to create good institutions and to achieve good governance in Hanoi.

There is a need to change the perceptions and expectations of the roles of officials, deputies and citizens. However, it is impossible to change the way people in a country think, feel and act simply by importing foreign institutions.

Promoting good governance in Hanoi is dependent on the need and desire to change the government and people themselves. Good governance in Berlin can be seen to be the result of the efforts of the local government and citizens after a long period of development and continuous adjustment.

Institutional transformation is always a long and complicated process because the change in formal regulations as well as in the way they are implemented may meet strong resistance from the established practice. This study has attempted to point out the weaknesses of the institutions of Hanoi and has identified factors affecting future development towards good governance. But it is not easy to determine how long it will take to change the institutional setting of Hanoi in order to achieve good governance.

The way to good governance in Hanoi seems to be far and unpredictable because institutions have their own path and institutional change can be evolutionary or revolutionary. It is meaningful to do further research on institutions for good governance in other Asian countries such as Japan, Korea and Taiwan. Those countries have achieved much higher levels of good governance and development despite their Confucian Asian culture.

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1 **Abbreviations**

\$	US dollars
CPV	Communist Party of Vietnam
FOIA	Freedom of Information Act
GDD	Grassroots Democracy Decree
GDP	Gross Domestic Product
GNI	Gross National Income
GSO	General Statistical Office
HDR	Human Development Report
IMF	International Monetary Fund
MDGs	Millennium Development Goals
MPI	Multidimension Poverty Index
OECD	Organisation for Economic and Development
OSS	One-Stop-Shop
PAR	Public Administration Reform
SOEs	State Owned Enterprises
SRV	Socialist Republic of Vietnam
UNDP	United Nations Development Programme
VND	Vietnamese Dong (Vietnamese Currency)
WB	World Bank
NGOs	Nongovernmental Organisations
OECD	Organisations for Economic Cooperation and Development
NPM	New Public Management

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1. Introduction

1.1 Problem Statement

The following research paper addresses “Vietnamese Local Governments on Their Way to Good Governance- The case of Hanoi and Berlin”.

We are living in a world of change. Rapid and dramatic changes in economic, social and political conditions in the last century have neither eliminated human development problems nor ensured the sustainability of any progress actually made. According to the Human Development Report a third of the population in the 104 countries covered by the Multidimensional Poverty Index (MPI), about 1.75 billion people, live in multidimensional poverty reflecting an acute deprivation in health, education and standard of living (UNDP, 2010, p.6).

Most of these 1.75 billion people live in developing countries. Developing countries, therefore, face overwhelming challenges in reducing poverty and serious problems of inequity in accessing economic and social opportunities.

Why do developing countries constantly face these problems? Bad governance in many developing and less developed countries causes economic, social, development and environmental problems. The General Secretary of the United Nations, Kofi Annan, stated that “good governance is perhaps the single most important factor in eradicating poverty and promoting development” (Annan, 2003 in Graham, Plumptre, 2003, p.1).

The case of Vietnam seems to be a paradox of this statement. Since the “Doi Moi” Renewal Policy in 1986, Vietnam has achieved astonishing socio-economic success with an annual average GDP growth rate of 7.34% (1994-2004) and a substantial reduction in poverty from 58% to 37% between the year of 1993 and 1998, and a further reduction to approximately 29% in 2002 (UNDP, 2003). Vietnam is even being viewed as the new star in Asia for economic development and poverty reduction. These positive results have been attained despite the signs of bad governance such as crime, violence, inequity, corruption and graft that still exist in Vietnam.

It is important to keep in mind that pure economic development and poverty reduction do not conclude the story of development. Although the percentage of the population living on less than \$1 per day has declined to 17.7%, 2/3rds of the population are still living on less than \$2 per day (UNDP, 2003) and many households remain vulnerable to slipping back

into poverty. The gaps between the rich and poor and between the urban and rural areas in Vietnam are widening. These gaps can be seen not only at the two income extremes or in consumption capability but also in access to education, health services, etc. Economic development has been achieved in Vietnam but not social equity or justice. Without good governance, better social and environmental development cannot be achieved in Vietnam or in other developing countries.

Good governance is an end in itself for developing countries. Good governance plays a dominant role in the agenda of international development. Over time, the definition of good governance has broadened to include suggestions from the international development community. In World Development Reports from 1997 to 2002, good governance recommendations to developing countries increased from 45 to 116 items (Grindle, 2004, p.527). The good governance agenda has generally expanded from enhancing governments' responsibilities and capabilities, building legal systems for a market economy, and the empowerment of the poor to including advocating democratic government, free trade, human rights, participatory development and sustainable development.

As a guide for development, international development communities have created an overarching good governance agenda, but they have not guided "... developing countries as to what reforms must be done and which should be done first and how..." and "...what (reform) can be achieved in the short term and what can only be achieved over the longer term, what is feasible and what is not" (Grindle, 2004, p.526). The more important issue here is whether the international development communities are able to answer these questions and to establish a series and sequence of reforms for developing countries. It is clear that there is no single method for attaining good governance that would fit all countries.

Developing countries have adopted a number of reforms that have assisted in achieving good governance with less than stellar results. Promoting good governance not only depends on good reform concepts and the capacities of government but also on the domestic players implementing these reforms. It could be also argued that the success of the implementation of any reform depends on the action of the involved actors, and their behaviours, in turn, depend on the institutions to which they belong.

There exists a consensus that institutions matter, but the causality or the various links to how institutional arrangement influences development remains unclear (Jütting, 2003, p.9). By assuming that institutions shape the formal framework of governance, however, it is implied that governance actors required to interact are influenced not only by the formal framework but by the soft institutional framework as well. Interaction amongst the governance actors ultimately determines the level of good governance and this in its turn defines the development outcomes of a country.

Institutionalism includes different perspectives on institutions and the explanation of institutional impact on governance, on policy and on individual behaviour. Institutionalisms, as the term is used here, imply a set of theoretical ideas and hypotheses concerning connotations of institutions, relationships between institutional characteristics and individual behaviours, action and change.

Three pillars of institutions are described by Scott as regulative, normative and cultural-cognitive (Scott, 2001). Individuals deriving their identity from membership of a community behave according to the “logic of appropriateness” which is shaped by their level of cognition, obligations, the ethos, practices and expectations of institutions (March, Olsen, 2004, p.8).

The success of governance reform depends on the starting point of each country – what institutional arrangements currently exist and who the people implementing reforms within the existing institutional framework are. Therefore, the problem of achieving good governance lies with the institutional arrangements in developing countries. Achieving good governance requires a number of reforms to get “institutions” right in those countries where formal institutions are weak and where informal institutions do not recognize the values such as rule of law, democracy, and fairness that support good governance. Achieving good governance, within the framework of these existing institutions that shape the cognition and the logic of appropriateness of the individuals responsible for implementing change is a real challenge. Changes in laws and formal regulations can occur overnight, but changes in perception, habits... and ultimately the “logic of appropriateness” of individuals can take significantly longer. It is very important to bear in mind that the practice of good governance in today’s developed countries is a result of generations of work and not something that happened overnight.

The hypothesis of this research project is that although formal rules (laws and regulations) impact good governance, informal rules (culture, habit and conception) do as well.

To validate the hypothesis that the level of good governance of a country depends on its formal and informal institutions, country-specific evidence of good governance from Berlin, Germany, a developed country, and Hanoi, Vietnam, a developing country, will be compared and contrasted. Vietnam's and Germany's current norms, values, concepts and regulations are a direct result of their long histories of different economic and social phases of development as well as politico administrative systems.

In the transition to a market economy with a socialist orientation, Vietnam is now facing institutional problems. This is due to the need to build new institutions that suit a market economy while at the same time retaining the old institutions that are considered important to maintaining a socialist orientation. The institution of a market economy is not always in line with the socialist-oriented institution the Party wishes to retain. Additionally, the institutions formed and functioning during the long-standing centrally-planned economy period still remain influential.

It could be argued that the choice of the highly-disparate examples of Hanoi and Berlin is a poor one if one adheres to the belief that a comparative analysis should compare like with like. However, comparative study allows for two methods of comparison: comparing the "most similar system design" and the "most different system design" (Landman, 2000, p.27). Berlin and Hanoi are very different, making these cases ideal to illustrate the role of formal and informal institutions in promoting local good governance.

1.2 Objectives of the Dissertation

Both concepts, good governance as well as institutionalism, are fashionable but ambiguous and broad making it ambitious to use an institutionalism approach to explain local good governance.

The aim of this research project is not to duplicate institutions from Berlin in Hanoi, but rather to reflect and explore the various types of institutional problems existing in Hanoi and the preconditions required to promote local good governance in Hanoi.

By comparing Hanoi with Berlin this study attempts to illustrate the differences in the institutional settings of Hanoi and Berlin, to aid the Vietnamese in reflecting on their current state, identifying the roots of the problems in promoting good governance, and also identifying what needs to be improved and what is possible to improve.

It would be naïve to believe that institutions are transferable from Berlin to Hanoi. By answering the question how certain institutions impact good governance in Hanoi, the study also aims at providing donors with a better understanding of Vietnamese institutions and to encourage better advocacy of good governance in Hanoi and in Vietnam in general.

Through the use of the case study approach to achieve its main objectives, this dissertation also provides some contributions to the theory and practice of good governance.

1.2.1 Expected Contribution to Theories

This study provides a brief review of the existing concepts of good governance. Good governance is an ongoing, evolving concept. There is no consensus on what embodies good governance because each organisation has its own approach and definition. Even though good governance is country-specific and is basically a contextual concept, an attempt to provide a convergence of good governance concepts from the different definitions is made.

Institutionalism is often used in political science, public administration and organisation theory as an explanatory theory. Using institutionalism to explain the success and failures of promoting good governance is not popular. Using the new institutionalism theory, attention is paid not only to the formal institutions but also to the informal institutions of Hanoi and Berlin. A more complete analysis of the regulative systems, perceptions and cultures of the two cities will also be provided. Finally, this study hopes to introduce a more systematic approach to the study of good governance through the perspective of new institutionalism.

1.2.2 Expected Contributions to Practices

This study uses a descriptive approach to analyse good governance in Berlin and Hanoi, in an attempt to provide a more detailed understanding of good governance in the two

cities. In reality, different aspects of good governance are measured annually by the World Bank and many other international non-governmental organisations. It has been done on a large scale in a number of different surveys. By generating positive arguments about the influence of institutions on good governance, this dissertation will provide a practical contribution to the promotion of good governance in developing countries in general and in Hanoi and Vietnam in particular. The resultant findings on the differences in the institutions of Berlin and Hanoi and their influence on good local governance are very useful for Vietnamese and international aid development donors. This thesis will provide Vietnamese readers a better awareness of their own institutions and institutional problems, from which they can develop and implement better solutions for building good governance. And finally, donors will have a better understanding of Vietnamese institutions, enabling them to find practical approaches to more effective advocacies for the promotion of good governance in Vietnam.

1.3 Nature of the Research

1.3.1 Structure of Dissertation

The main research questions of this dissertation are

- What are the levels of good governance in Hanoi and Berlin?
- Why are there differences of good governance in Hanoi and Berlin? and
- To what extent do institutions matter to good governance?

This dissertation is structured into five main parts.

Part One introduces the problem statement and the hypothesis of the research. The scope of the research, the structure and expectations of the study are also mentioned

Part Two reviews the meaning of good governance and operationalises the good governance concept for use as the framework to describe good governance elements in Hanoi and Berlin. This part reviews different institutional approaches and the relationship between institutions and individual behaviours. After that, an analytical framework explaining how institutions influence good governance will be developed. This analytical framework will be used as the guideline for the analysis of the case study.

Part Three focuses on the research method, data collection and the limitations of the study.

Part Four covers the case studies of Hanoi and Berlin. The level of good governance of Hanoi and Berlin in practice will be presented according to the operationalised criteria. Good governance in Hanoi will always be analysed first followed by Berlin to show the contrast. After examining good governance in practice, this research seeks to expose the differences in institutions in Hanoi and Berlin and their influence on good governance.

Finally, Part Five reviews the overall results of the dissertation, presenting its limitations and suggestions for further research. The influence of institutions on good governance through the highly-disparate cases of Hanoi and Berlin is clearly outlined, contrasted and analysed. This researcher predicts that good governance in Hanoi is at such a low level not only because of its imperfect formal institutions but also due to its informal institutions of habit, cognitions, culture, etc.... Good governance in Berlin, at present, is a result of the influences of both its formal and informal institutions. The author focuses on analysing the key variances in the institutions of the two cities and aims to point out lessons learned about good governance in Hanoi.

1.3.2 Research Scope

The examination of country-specific evidence of good governance in developed and developing countries is necessary to discover the key factors that help or hinder the attainment of good governance. A major question to answer is how certain formal and informal institutions influence good governance. Due to the breadth of good governance and the complexities of institutionalism, this research limits its scope to empirical study, formal and informal institutions and the good governance agenda. The capitals of Vietnam and Germany, Hanoi and Berlin, respectively, have been chosen to study for the following reasons:

Germany and Vietnam are very different in terms of political-administrative systems, historical and cultural backgrounds and levels of social-economic development.

On the 9th of November 1989, the Berlin wall collapsed. West and East Germany were reunited and the whole political-administrative system exported from the West to the East. After more than twenty years of reunification the Federal Republic of Germany is still one of the world's leading industrialized countries with GDP per capita (2007) at \$34,100 and the level of corruption at 16 out of 179 countries (Transparency International, 2007, p.27).

The unification of Vietnam occurred on the 30th of April 1975 after the victory by North Vietnam led by the Vietnamese Communist Party (CPV) and with a loss of approximately three million Vietnamese lives. Since then the whole country has been under the leadership of the Vietnamese Communist Party (CPV) and a Marxist/ Leninist ideology. After more than thirty years of unification and more than a decade of the “Doi Moi” policy, Vietnam is still one of the least-developed countries in the world. GDP per capita (2008) stands at \$1,024 and the level of corruption is ranked at 123 out of 179 countries (Transparency International, report 2007, p.27).

Both countries were divided and reunited. After unification they have been following completely different political-administrative systems and ideologies, resulting in two completely different levels of socio-economic development. The contrasts between these two countries inspired the author, who spent most of her life in Hanoi and has now been residing for several years in Berlin, to answer the question as to why these differences exist. The differences in their institutions and their levels of good governance provide a great illustration of how good governance depends on institutions.

Within a country, good governance is advocated at three levels: national, regional and local. Focus will be on the lowest level – the local level - where good governance has a direct and immediate impact on people's lives.

As stated previously, the three pillars of institutions as described by Scott: regulative, normative and cultural-cognitive (Scott, 2001) will be applied to prove the hypothesis that institutions have a direct impact on good governance. The regulative pillar imposes rules, laws and sanctions which exist in a formal written form. The normative pillar consists of the common values and norms of how things should be done. Instead of acting under rules or obligations, individuals act on their conceptions. The cultural-cognitive pillar implies shared conceptions, symbols, and beliefs that are taken for granted as “the way to do things” (Scott, 2001, p.57).

Institutions influence good governance through their effect on the actions of local public officials, politicians and citizens. Actions of individuals are shaped by the “logic of appropriateness”, or by the “logic of consequence” which are formed by formal and informal institutions (regulative, normative and cognitive-cultural aspects).

Using Hofstede the classification of culture, the layers of institutions can be categorized into a national level, a regional level, an organisational level and an individual level (Hofstede, 2005, p.11).

The norms, values, cultures, cognitions either on an organisational or on an individual level in the local governments of Hanoi and Berlin will be studied. To understand how institutions shape the “logic of appropriateness” in individuals, the common norms, values and cognitions valid at the national level will also be examined. These values and norms are accepted in the two capitals of the two countries.

In 1994 the public administration reform in Vietnam was officially launched. However, only the critical reform period in Vietnam and in Hanoi, from 1997 to 2007, will be researched and compared to Berlin, Germany

2. Theoretical Background

Good governance levels in Hanoi and Berlin are dependent on their institutions. To validate this hypothesis, the key theoretical background for the empirical research is detailed in three main parts. Part One reviews the concept of governance and good governance, and operationalizes the concept of good governance. Part Two explores different approaches to institutions and behaviours, as well as institutional change. It also provides a conceptual framework for the analysis of how institutions influence good governance.

Governance

The shift from government to governance is discussed more and more often in the fields of politics and public administration. At the end of the 1990s governance emerged. The main obstacle to solving social problems effectively was no longer centred on the efficiency of governments. More and more problems in society such as environment and local security cannot be solved solely by an effective government. An efficient government is not the issue, but the organisation of society is (Jann, 2006, p.3). Issues such as social capital, civil society and community have been frequently discussed. The concept of governance has been defined by different authors and each focuses on one dimension. For instance, Kooiman (2003) focused on action and defined “governance” as “governing”, while others paid attention to modes of governance like governance with “network”, or “New Public Management” (Kooiman, 2003, Hupe, Hill, 2007, p.286, 287).

Some critical aspects of the concept of governance should be noted as follows.

First of all, it is about governance actors and the change in their role. Governance is not “...government and its ability to make and implement policy, in other words, to steer society.” (Pierre, Peters, 2000, p1).

In a context of governance, government is not the only actor in charge of solving societal problems. It should when possible work together with private and social actors. Society has a high potential to solve societal problems (Jann, Wegrich, 2010, p.218). Government is not “...separated and does not stand above society, but is part of it” (Jann, 2003, p 101). Governance stresses the change in conventional boundaries between the public and private sectors, between governments, markets, civil society and individual citizens (Jann, 2003, p.96). It recognizes the multitude of participants needed for governing.

The roles of government include regulating and preventing abuse of power; commissioning and providing a range of services; providing the resources to make things happen; managing markets; leading negotiations for desired outcomes; creating room for civic dialogue; enabling and supporting self-management; and setting the framework for democratic participation (Goss, 2001, p.24, 25). The role of government is not decreasing but becoming more demanding. Government is now expected to be less a decision-taker and producer but more a co-producer and catalyst of social development. Government should be able to decide which role it should play to solve collective problems: leader; moderator or coordinator. Government has changed from a steering role based on constitutional power to a role of coordinating, moderating and facilitating. Negotiation and cooperation are key working methods for governance participants. In this way of governing, not only formal rules such as constitution, law and regulations but the informal rules including codes of ethics, culture, customs and traditions are critical.

The role of citizens has also changed. In governance, citizens are not only voters (citizens elect their political representatives such as local council, mayor, etc.), financiers (through the payment of taxes and service fees), and customers of public services, but they are co-producers of social services and values. Citizens are partners in social co-operation and negotiation (Jann, 2006, p.4). Citizens and local communities are even better at defining and solving collective problems. Citizens, either directly or indirectly through civil organisations, are involved in decision-making on local policy issues or in self-help and self-governing.

Civil society organisations including associations, non-profit agencies, cooperatives, charitable groups and religious organisations become prominent in the governance process. Networks are based on resource exchanges and the interdependent relationships among the network participants. Therefore, behaviours are expected to be appropriate. Appropriateness, as agreed amongst network members is shaped by shared interests, by formal rules such as the constitution, law and regulations and by informal rules such as codes of ethics, culture, custom, and traditions. Governance links the different values and interests of citizens, governments, and public and private sectors by bargaining and compromising in both formal and informal structures (Lynn et al. 2001, p.10).

Secondly, governance also emphasizes the interaction of different modes of governance. The network, which is considered the third form of governance, was first used in public policy. Policy formulation and implementation take place in a network consisting of various participants. A policy network is a network of public, semi-public, and private actors participating in a certain policy area. In a network, actors exchange information, goals and resources (Kickert et al. 1997, p.2, 9). With the network as a mode of governance, governance stresses more horizontal aspects (Hupe, Hill, 2007, 287).

Governance involves not only networks, but the interaction of hierarchies, markets and networks. In reality, networks and hierarchies can coexist and even overlap. Hierarchy is a formal model of representative democracy. Even though more participants are involved in networks, public policies still need to be approved by an elected body and implemented by the government. It is possible to have both self-coordination and networks in a hierarchical organisation. The network might be coordinated by the hierarchy (Kjær, 2004, p.44). "...Although hierarchical coordination "remains a relatively rare phenomenon", self-coordination among units takes place in 'the shadow of hierarchy' because, for example, hierarchical structures 'define the context within which negotiations take place" (Scharpf, 1994 p.38, 40)(Rohdes, 1997, p.1253).

Governance is about managing of the complexity of hierarchy, network and market. A country usually has a mix of these four governance mechanisms: hierarchies, market, network and community. The mix of governance mechanisms differs by policy field as well as by country.

Governance occurs at different levels of administration and in various fields (Hupe, Hill, 2007, p.287). It can start at any level - municipal, local, regional, country, or global - in different fields such as culture, environment, health or education etc...

Governance has no single theoretical foundation. Governance can be analysed under institutional theory, the interactions among governance actors, or the dynamics of the governance process can be approached by new institutionalism, decision theory, system theory, or network theory (Benz, 2004, p.27).

All in all, governance concentrates on the structure of power and authority relationships to better comprehend institutional linkages between government, private sector and civil

society (Simonis, 2004, p. 2). It is about the changing form of governing from doing things alone either by “state” or “market” to doing things together (Kooiman, 1993, p.1). Governance as a process of interaction among state and non–state actors via different governance mechanisms does not distinguish one as either “good” or “bad”. Good governance is a normative approach which provides the framework with a wide range of standard practices for governance actors and processes.

In the following section, the evolution of the good governance concept will be analysed.

2.1 Good Governance

2.1.1 Different Concepts of Good Governance

An agenda for good governance was originally developed by the World Bank in the early 1990s in response to the failure of structural adjustment programs introduced by the World Bank (WB) and the International Monetary Fund (IMF) in Africa, Asia and Latin America. The Bank was the first institution to adopt a good governance agenda as a condition for development assistance.

Good governance has an evolving agenda. It is being continuously developed by different financial-international development organisations such as the International Monetary Fund (IMF), the Asian Development Bank (ADB), and multilateral and bilateral donors, and international non-governmental organisations (NGOs). Depending on its mandates, each organisation recommends differently focused aspects of good governance. The concept of good governance defined by important organisations such as the World Bank, the Asian Development Bank, United Nations Development Programme and the Organisation for Economic Cooperation and Development will be summarised.

The World Bank defines governance as “the traditions and institutions by which authority in a country is exercised for the common good”. Governance has three main aspects including “...(i) the process by which governments are selected, monitored and replaced, (ii) the capacity of governments to design, formulate and implement sound policies and discharge functions and (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them” (Kaufmann et al., 1999, p.1).

According to the World Bank, good governance depends on four components: accountable and competent public institutions, transparent policies and practices, a predictable and stable legal framework, and participation by affected groups and civil society (World Bank 1992).

The Asian Development Bank has built up basic elements of good governance from the approach of the World Bank. The four basic elements of good governance are (i) accountability, (ii) participation, (iii) predictability, and (iv) transparency.

Accountability is the capacity of governments to account for their actions. Officials are required to answer periodically and to take predictable and meaningful consequences for their actions. Internal (administrative) and external (to citizen) accountability are needed to improve efficiency and effectiveness of public service delivery (ADB, 1999, p.17).

Transparency means low-cost access to relevant, understandable, reliable and timely information, especially economic and financial information for the public (ibid.). Transparency is necessary when the government depends more on the market mechanism for economic management (World Bank, 1994, p.29).

Predictability (rule of law) results from legal frameworks that are based on an independent and effective judiciary that is clear, fair, and equal to access, known in advance and which is uniformly, impartially and effectively enforced (ADB, 1998, p.17).

Participation suggests the involvement of external entities to ensure the information flow, to monitor the operation of government and the quality of public services. People or affected groups have opportunities to participate in the decision-making and implementation of public programs and projects for the country's development. People can act through NGOs, CBOs (Community Based Organisations), newspapers, radio, and television. The formation of social capital, i.e., trust and information exchange as the base of civil society should be encouraged (ibid.).

Good governance as first introduced by the World Bank in early 1990 is very close to good government. The banks put efforts into reform and into improving state capacity to effectively use development aids and importantly to promote a "well-functioning" market economy.

The international financial organisations' approach to good governance is mainly based on economic dimensions. Good governance has been an agenda for advocating pro-market reforms. Good governance is defined as transparency and the rule of law, accountability in

public finances, and the creation of a productive private sector (Nanda, 2006, p.270). Transparency and the rule of law mainly focus on creating the appropriate legal framework for the development of a market economy and the creation of a secure investment climate. Good governance as defined by the World Bank was driven by neo-liberal ideology like the New Public Management (NPM) reform. A number of reform packages in NPM such as privatization, decentralisation, etc. have been advocated by the bank.

Neither human rights nor democracy are explicitly listed as aspects of good governance because of the 'non-political' mandate of the banks. Under their traditional mandates, the World Bank and the International Monetary Fund are to remain apolitical on governance reform (Nanda, 2006, p.273). The international financial institutions state that "they shall not interfere in the political affairs of any member nor shall they be influenced in their decisions by the political character of the member concerned. Only economic considerations shall be relevant to their decisions" (Wescott, 2003, p.79).

The World Bank and other institutions, after the failures of structural reform, have made a strategic decision to embrace the state as a way of facilitating the implementation of the neo-liberal model through a good governance agenda (Wouters, Ryngaert, 2005, p.73).

The international financial organisations, however, have recently implicitly advocated liberal democratic political processes. Good governance promoted by the banks has now become a process that is more inclusive, democratic and participatory than in the past. The banks have advocated some desirable elements of liberal democracy, for example, the rule of law and some degree of democratic freedom.

Good governance is the result of a marriage between the new public management and the advocacy of liberal democracy (Rhodes, 1997, p.50) (Bello, 2001, p.6) (Wouters, Ryngaert, 2005, p.72).

A good governance agenda is an ongoing concept. Over time many changes have occurred in the main characteristics of a good governance agenda.

Good governance principles defined by the Organisation for Economic Cooperation and Development (OECD) focus firstly on the effective functioning of government and then on the relationship between governments, citizens and parliaments.

The principles of good governance defined by the OECD are: "respect for the rule of law; openness, transparency and accountability to democratic institutions; fairness and equity

in dealings with citizens, including mechanisms for consultation and participation; efficient, effective services; clear, transparent and applicable laws and regulations; consistency and coherence in policy formation; and high standards of ethical behaviour” (OECD good governance definition in Curtin, Wessel, 2005, p.4).

According to the United Nations Economic Commission for Africa (UNECA) good governance aims at protecting personal and civil liberties, gender equity, public safety, security and achieving justice for all.

Six criteria of good governance focus on the political system and the public sector:

- a political system that encourages input from all groups of civil society,
- impartial and credible electoral administration and an informed and active citizenry,
- strengthened public sector legislative and administrative institution,
- transparency, predictability, and accountability in decisions made by government,
- public sector management with stable macroeconomic conditions, effective resource mobilization and efficient use of public resources,
- adherence to the rule of law in a manner that protects personal and civil liberties, gender equity and ensures public safety and security with equal access to justice for all (Simonis, 2004, p.6).

The UNDP - United Nations Development Programme - defines “governance as the exercise of economic, political and administrative authority to manage a country’s affairs at all levels” (UNDP 1997, p. 2, 3). Governance includes the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their conflicts. There are five operational aspects of governance: political governance; administrative governance; economic governance; civic governance; and systemic governance (UN, 2004, p.11).

The definition of governance by the UNDP is more comprehensive than that of the banks. The concept of governance is broader than government and its capacity. Governance is described as the involvement of government, civil society and the private sector in solving public problems. The UNDP views good governance as how society organises itself to ensure equity, justice and equal access to opportunity for all citizens (UN, 2004, p.6). Good governance is the outcome of a governance process that brings equity and justice to society.

Unlike the international financial institutes, the UNDP emphasizes democratic issues and human rights in its good governance agenda. Democracy is one of the pillars of good governance. It is about functioning parliaments, judiciaries, electoral bodies and institutions that uphold the constitution of a country and protect all its citizens.

In short, good governance includes respect for human rights, respect for the rule of law, political openness, participation and tolerance, accountability and transparency, and administrative and bureaucratic capacity and efficiency (UN, 2001, p.9).

Good governance is not good government. The criteria of good governance can be summarised in the declaration on Governance in the First World Conference in Manila in 1999. Good governance is “a system that is transparent, accountable, just, fair, democratic, participatory and responsive to people’s needs” (United Nation, 1999, p.1-3). Good governance can be described as:

- Legitimacy
- Participation
- Accountability
- Transparency
- Responsiveness,
- Effectiveness and Efficiency
- Rule of Law
- Fairness and Equity

The definitions of good governance criteria are explained as follows:

Legitimacy and Participation – all affected actors should be involved in policy processes, either directly or through legitimate intermediate institutions that represent their interests. The important conditions for constructive participation are freedom of association and speech (Graham, Amos, Plumptre, 2003, p.3).

Accountability – government, private sector and civil society organisations are accountable to the public, as well as to institutional stakeholders. Accountability can be internal or external depending on the organisations and the decision (Graham, Amos, Plumptre, 2003, p.3).

Transparency – processes and actors have direct accessibility to reliable information that concerns them. It is built on the free flow of information to ensure enough understandable,

reliable, and timely information. This means that all actors are willing to share and act in an open manner.

Responsiveness, Effectiveness and Efficiency – processes and actors produce results that meet the demand of society in a reasonable timeframe while making the best use of resources.

Fairness and Rule of Law - legal frameworks create a fair playing field for all actors. All actors respect the law and act accordingly.

2.1.2 Urban Good Governance

The criteria of good governance are generally valid for all levels of governance. Therefore, most international development or bilateral agencies do not have separate criteria of good governance at the local level. Each level has its own context, as well as its own function as the reasons for specialization of the characteristics of good governance at each level. As this study focusses on the two capital cities of Hanoi and Berlin it is necessary to understand the characteristics of urban good governance

The United Nations Human Settlements Programme - UN-Habitat has argued that “most of humanity will soon live in cities, and the trend of urbanization is irreversible” (UN-Habitat, 2004). UN-Habitat launched the Global Campaign on Urban Governance in 2000 with the main objective of reducing urban poverty in developing countries through good urban governance. It has developed the norms of good governance based on the expertise of a host of regional and international NGOs, multi-lateral agencies such as UNDP, the World Bank, UNICEF, the EU, bi-lateral development agencies, academic institutions. Urban good governance is characterized by sustainability, subsidiarity, equity, efficiency, transparency and accountability, civic engagement and citizenship, and security. The characteristics are explained below.

Sustainability - all dimensions of urban development including economic, social and environmental should be balanced for present and future generations. Good governance requires the long term, strategic vision of leadership as well as the consensus among governance actors through coordination and cooperation.

Subsidiarity - the closest appropriate government level should be responsible for the efficient and cost-effective delivery of services. Each level needs sufficient resources as

well as autonomy to fulfil its responsibilities. The principle of subsidiarity is to maximize the potential for inclusion of all stake holders.

Equity - equal access to the decision-making process and the basic needs of urban life regardless of gender, youth, social class, ethnicity or religion.

Efficiency - financially sound and cost-effective in managing revenue sources and expenditures, and delivering of public services

Transparency and accountability - local authorities are accountable of their citizens. Law and public policies are implemented in a transparent and predictable way.

Civic engagement and citizenship - people must actively contribute to the common good.

Security - an individual has the inalienable right to life, liberty and security of person.

The criteria of urban good governance defined by UN-Habitat are based on five different approaches: a welfare approach, a human development approach, an environmental approach, an institutional approach and a rights-based approach. The welfare approach stresses the importance of providing individuals and groups with goods and services. It is necessary to effectively participate in society, especially for the poor. A human development approach aims at empowering groups and individuals to strengthen their ability and willingness to participate in society. An environmental approach emphasizes the precautionary principle and concern for future generations. An institutional approach covers the roles of actors and institutional frameworks. It is very important to enhance the capacity of actors and institutions. A rights-based approach stresses the right to development based on the full complement of civil, cultural, economic, political and social rights (UN-Habitat, 2004, p.10).

2.1.3 Basic Criteria of Good Governance: Transparency - Participation - Accountability

Good governance is advocated by the international aid community for developing countries, because good governance is a means to achieve sustainable, economic and social development. "Good, effective public governance helps to strengthen democracy and human rights, promote economic prosperity and social cohesion, reduce poverty, enhance environmental protection and the sustainable use of natural resources, and deepen confidence in government and public administration" (OECD, 2009).

The Millennium Development Goals (MDGs)...”for everyone on Earth, they are the linchpin to the quest for a more secure and peaceful world” (UN, 2005). MDGs to be achieved by 2015 focus on seven key areas of human wellbeing, from halving income poverty, to achieving universal primary education, reducing child and maternal mortality, reducing gender disparities and empowering women, arresting the spread of HIV/AIDS, and ensuring environmental sustainability (UN, 2007, p.1).

Good governance has direct linkage to MDGs because human development goals are the result of governance. The United Nations has considered “good” governance an essential component of the MDGs because “good” governance establishes a framework for achieving other goals of the MDGs. It is assumed that good governance leads to economic growth and that social development will follow. However, economic growth does not lead to good governance. “...Indeed the fact that good governance is not a “luxury good” a country automatically acquires when it becomes wealthier means, in practical terms, that leaders, policy-makers and civil society need to work hard and continuously at improving governance within their countries (UN, 2007, p.23). Good governance is an end in itself for developing countries.

International development organisations emphasize different characteristics of good governance to different regions and countries based on their suitability to the areas, the countries’ backgrounds and the international organisations’ mandates.

Every organisation has its own approach and priority toward good governance. Nevertheless, the four criteria mentioned by all organisations are transparency, participation, accountability and rule of law.

In summary, good governance occurs when the process of governance is within the framework of law, when there is a separation of power and ethical codes of conduct, when it responds to the basic needs and wishes of the people; when it is conducted within the institutions that are of the people, operated by the people and for the people’s benefit, when it is based on sound, efficient organisational and operational principles, and when it is transparent, accountable and predictable (Mohiddin, 2004, p. 20, 21).

The criteria for good governance are actually desired standard practices for all developed and developing countries. Depending on which institutions exist in a country, the prioritization of key good governance criteria as well as the roles of governance actors in promoting good governance differs from country to country. Stated differently, it is in

context of a specific country in the sense that each country might strive to achieve or to focus on certain criteria of good governance which they are lacking or want to improve. While developed countries emphasize different methods of improving the effectiveness and efficiency of the public sector to increase the satisfaction levels of citizens and to enhance the direct participation of citizens, developing countries try to have public sectors function properly by combating corruption, ensuring the poor have access to basic public services, empowering citizens, especially the poor, enhancing the voice of the poor and ensuring some main forms of participation such as fair elections and freedom of association. In some countries, promoting the private sector may be the first priority while in other countries reducing corruption and/or increasing effectiveness and efficiency of the public sector are more important. It is very true that each country with its existing level of good governance pursues different criteria for good governance.

This research focuses on transparency, participation and accountability as basic criteria to achieve other criteria of good governance. Since this research uses the institutional approach to explain the level of good governance, the criterion rule of law will be used as a formal institution, which influences the level of transparency, participation and accountability. The arguments for choosing those three criteria: transparency, participation and accountability will be outlined below.

Accountability is used as a synonym for many loosely-defined political concepts such as good governance, transparency, equity, democracy, responsiveness, responsibility and integrity (Bovens, 2010, p.946). Transparency and accountability are two of four dimensions of accountability as a virtue.

Transparency and participation play a critical role in the relationship between actors and accountability. In reality, transparency and participation do not only relate to accountability but to other criteria of good governance.

Transparency and Other Criteria of Good Governance

Transparency is widely recognized as the key criterion of good governance. Transparency affects other issues such as participation, legality, legitimacy and democratic decision-making, responsiveness and customer orientation, economic, effectiveness and efficiency, and quality of service (Reichard, 1998, p.129).

In the context of promoting market mechanisms for economic management, transparency implies low-cost access to relevant, understandable, reliable and timely information - especially economic and financial information for the public (The World Bank, 1994, p.29). In a democratic system, it is critical that voters participate in either making decisions or controlling leaders who make decisions. Participation requires access to information based on free communication, and open discussion (Piotrowski and Van Ryzin, 2007, p.307).

Transparency is a tool that encourages the involvement of the people in solving collective problems. In order for people to participate more actively in the development and implementation of public policies, government must allow people access to better quality and an increased quantity of information (Pasquier and Villeneuve, 2007. p.149).

Without transparency, citizens do not have the information they need to evaluate their representatives or voice their opinions, and the legitimacy of elections and the process of representation both become meaningless (Florini, 2002). Loss of trust in public agencies can lead to less participation of citizens in local elections, or less participation of local communities and the private sector in public services delivery. Transparency is one critical tool used to solve problems such as public deficits, a loss of confidence in the authorities, lack of accountability and corruption (Piotrowski and Ryzin, 2007, p.307). Transparency, as a two-way communication between public agencies and citizens in solving public problems, enhances the legitimacy of the decision-making process (UN-Habitat, 2004, p.9).

Transparency implies that third parties are well informed about governments' decisions, structures, regulations and policies. Transparency closely relates to corruption and accountability. The relationship between actors and forums turns to accountability in practice when it is transparent. A forum can hold the actors accountable only when they are informed about those actors' conduct.

Transparency is a basic tool for holding governments accountable and in fighting corruption.

Transparent systems have clear procedures for public decision-making and open channels of communication between local authorities and citizens. This means citizens can participate in the decision-making process, can review the performance of public agencies, and can control the use of public resources.

"Sharing information and acting in an open manner" stimulates ethical awareness and enhances accountability for the performance of individual officials and organisations in

handling public resources (UN-Habitat, 2004, p.21). By promoting better access to information for all stakeholders, transparency strengthens accountability and participation.

The forum can only work in a democratic style, when different members of a forum such as the media, parliament, citizens, or associations are allowed to participate and to have a voice in judging the actors' conduct.

Having adequate and timely information helps all governance actors solve their problems and achieve their goals more efficiently (Narayan, 2002, p.15). Judgment of the forum and the reaction of the actors closely reflect responsiveness and the responsibility of the actors.

Accountability is an important factor in securing the legitimacy of public power. Administrative accountability relates to transparency, levels of corruption, economy, efficiency and effectiveness of the public sector (Agere, 1998, p.13).

Transparency refers to how well the government communicates its policies and regulations clearly to the public (Zhao, 2003). In a country where the degree of transparency is low, the decisions and actions of local government are not open to the public. Local officials and politicians withhold information that is in the public interest. The less transparent the system, the more opportunities exist for local officials and politicians to make use of their positions and to act in their own interest. The level of transparency of a country is often measured by the level of corruption.

How different forums are allowed to participate and to hold actors accountable closely links to the issues of equity in society. When people are well informed, they "are better equipped to take advantage of opportunities, access services, exercise their rights, and hold state and non-state actors accountable" (Narayan, 2002, p.15).

Participation and Other Criteria of Good Governance

Electoral participation ensures the input for legitimacy of government. It is a low cost and little time-consuming mechanism used to hold public accountability by providing regular occasions for the representatives to explain their actions to citizens and for citizens to sanction the representatives (Fung, 2007, p.448).

Participation implies that people have opportunities to actively participate in decision-making and the implementation of public programs and projects for the country's development. People can act through NGOs, CBOs, newspapers, radios, or television. To some extent, the two criteria, transparency and participation, are overlapping and reinforce each other. On one hand, people can participate effectively only when they are well-informed. On the other hand, everyday participation in the political processes through the media and other initiatives creates transparency.

Participation of non-governmental organisations, civil organisations, and the media in political decision-making and public actions is absolutely critical in the fight against corruption and holding a government accountable. Local elections are a necessary means to ensure accountability. Participation of political parties, organised interest groups, civil society and the media are complementary instruments in which citizens can raise their voices between elections. Participation in decision-making may not enhance effectiveness and efficiency because of the slowness of actions that might occur. However, participation in policy-making processes and implementation has an implication for equality and social justice.

Participatory democracy attempts to create opportunities for people to make meaningful contributions to decision-making, and to broaden the range of people with access to such opportunities. Participatory democracy helps to link people and government, to create chances for citizens to participate in decision-making between elections, to strengthen the sense of community, and as such to strengthen democracy.

Different forms of participation are important sanction mechanisms to hold a government responsible for its actions. Direct democracy can be an effective mechanism of punishment for elected officials who do not fulfil or perform their tasks properly. Depending on the performance of the elected government, citizens as voters can re-elect or elect other parties and candidates in the next election.

The principles of good governance include rule of law, transparency, participation, accountability, legitimacy, responsiveness, effectiveness and efficiency, fairness and equity. These principles are generally mutually independent and reinforce each other. Without transparency, participation and accountability other criteria cannot be achieved.

The level of accountability already reflects the level of responsiveness of the actors involved. Without transparency, participation and accountability, it is hardly to respond to the demands of society in a reasonable timeframe while making the best use of resources. In this case effectiveness and efficiency can hardly be achieved.

In reality, it is seldom possible (and not always desirable) to achieve everything at the same time.

Transparency, participation and accountability are the basic and global normative criteria of good governance because they are grounded on empirical experiences and international legal instruments.

The commitments made by governments at major United Nations conferences have made transparency and participation criteria universal. Major international legal instruments relevant to a discussion on the norms of good governance include: the Universal Declaration on Human Rights (1948), the Covenant on Civil and Political Rights (1966), the Covenant on Economic, Social and Cultural Rights (1966), the Convention on the Elimination of Discrimination Against Women (1979); the Declaration on the Right to Development (1986); and the Convention on the Rights of the Child (1990).

In the Universal Declaration on Human Rights (1948) the articles 19, 20, 21 “Everyone has the right to freedom of opinion and expression, the right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media regardless of frontiers.” ...” (Article 19) “Everyone has the right to freedom of peaceful assembly and association” (Article 20) “Everyone has the right to take part in the government of his country, directly or through freely chosen representatives” (Article 21) are relevant to transparency and participation criteria of good governance.

These criteria of good governance, transparency, participation and accountability on their own, are already very broad and can be interpreted differently. To make a comparison between Hanoi and Berlin feasible, transparency, participation and accountability will be operationalised in the next section.

2.2 *Operationalisation of Good Governance*

2.2.1 Transparency

Transparency generally means that internal organisational processes and decisions are open to third parties, regardless of the involvement of these third parties with the organisation (Florini, 1998). Transparency of local government can be defined as the disclosure of the internal activities (regulations, structures, decisions) of local parliament, local administration, etc. and generally from local public sector organisations to others (private sector, civil society organisations, citizens). Transparency of government may apply in many areas: organisational transparency, accounting and budgetary transparency, transparency of government action and responsibilities, and documentary transparency (Pasquier and Villeneuve, 2007. p.148, 149).

Transparency is closely linked to openness and information. Information is the lifeblood of both democracies and markets (Florini, 2002). Transparency implies that information is freely available and directly accessible to those affected by decisions (UN-Habitat, 2004, p.16).

Access to information is a central component of government transparency (Piotrowski and Van Ryzin, 2007, p.307). The basic “right to know” of citizens should be recognized by government (Stiglitz, 2001, p.53). Access to public information as a deliberate choice by government is varied among countries. Some countries’ access to public information is determined by their constitutional requirements or specific laws (Florini, 2002). For instance, Sweden is now the world's most effective country in practicing and promoting transparency and has had the ideal of public access to information in its basic laws since 1766. In other countries, mainly dictatorships, only selected people within the narrow circles of government are permitted access to information. In other countries, access to public information is not a requirement of specific laws or constitutions but individual initiatives on an adhoc basis (Florini, 2002).

Transparency relies on the free flow of relevant, accurate, complete, understandable and reliable information.

The preconditions to achieve governmental transparency are information and the flow of that information. The flow of information between local government and a third party can be achieved directly or via the media.

The three actors in the flow of information are local government, media and a third party. The flow of information is described in diagram 1 below.

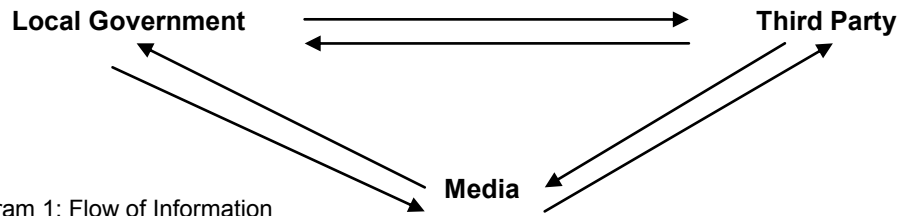


Diagram 1: Flow of Information

Local government: Transparency in the context of governance emphasizes the openness of local government to the third party on the government's actions and decisions. Transparency happens when government agencies allow "inside information" to flow to "outsiders". These flows of information clarify what the government is doing or not doing.

Access to information, in fact, depends not only on the openness of the local government but also on the capacity of local governments to make information available. It does not make sense when government files are open but poorly maintained. Local government capacity for making information available and accessible relates to issues of coordination among government agencies (including central and local agencies) in diffusing information and information management. It includes publishing information that documents policies, regulations, facts and activities which serve the public interest. Information management implies a sound keeping of records whether paper-based or electronic, judiciously utilizing information and communication.

There are common well-established reasons for not releasing all government information. These include national security, law enforcement, proprietary information, and personal privacy (Piotrowski and Van Ryzin, 2007, p.309).

In the age of information technology, concerns about privacy are growing. There is a need to balance interests between openness and personal privacy. Nevertheless, in practice, it is costly to maintain government transparency.

Media: There is a wide range of choices through which citizens can access public information. It ranges from direct observation of local government and parliament meetings by attending these meetings or via TV broadcasts to document access.

Public information should not only be divulged by government agencies but also through the various independent and private means to diffuse information about public sector

activities. This links directly to the disclosure of information and freedom of the press (Fuhr, 2000, p.69). Media plays a critical role in transmitting information. It helps governments disseminate information about their activities, educates citizens about government procedures and decisions, helps citizens to bring their concerns and demands to the government and addresses local problems and solutions on a large scale. The quality, accuracy and objectivity of information are determined by the capacity of the media and its independence. The critical dimension of media capacity is the ability to provide high quality information including professional and credible investigative reporting, the ability to reach various stakeholder groups and the level of technological infrastructure of the media (World Bank Institute, 2003, p.3).

The independence of the media relates to issues of ownership and censorship. Diversity of media ownership in a country is very critical. The media can belong to different owners such as the state, the private sector or a mix of the two. The source of funding for the media should be varied by a combination of state and private and subscription sources. Transparency, however, is impeded, when governments control what, which, when, and how information is released (Lebovic, 2006, p.545). As Dahl puts it, “how can citizens acquire the information they need [...] if the government controls all the important sources of information?” (Dahl, 1998, p.97) If all media are controlled by government, the people can only receive the information that the government allows. Accurate and objective information is achieved when there is neither censorship by the government nor the requirement to self-censor.

Third party: Any citizen, private sector or civil society is considered in this category. Information, openness and two-way communication are critical elements of transparency. Government and media are important in the flow of information, but citizens are not any less so. Citizens, as individuals, differ in their demands and interests with regard to public information. Some might feel a strong need to know what their government is doing, others are less interested. The kind of public information people seek to access is also different (Piotrowski and Van Ryzin, 2007, p.306). Information should not be disseminated from one side, from local government to citizens about policies, plans and proposals of governments. As a purely one-way communication vehicle, people are passively receiving information from the government. The government needs increasing amounts of information from citizens to carry out its various tasks. Two-way communication implies that local

government not only diffuses information but also receives information from citizens to respond to the demands and concerns of society.

Access to information allows citizens, private sector, civil society organisations and media to request government agencies to provide them with specific information their operations. Since that information is very broad, in order to make this study more manageable, it focuses on public information including:

- Policies and regulations of government;
- Public services: administrative service;
- Public finance: public expenditures and public revenue.

To assess the level of transparency in Hanoi and Berlin, the criteria of transparency of local government in this study is analysed by the two aspects accessibility and availability of public information. In the next part, the concept of participation will be addressed.

2.2.2 Participation

Participation is a broad concept that means different things in different settings. It can be participation in management, in finance or in economics. In the context of poverty reduction, participation means a process in which the voice of the poor can be raised and listened to, or the poor receive access to public services. In the governance context, participation covers more than the voice of the poor, it relates to different forms of civic participation.

Participation in the sense of democratic participation closely links to a concept of citizenship. Participation is a right of citizen and it goes beyond the right of traditional voting participation. Participation covers different participatory forms in which citizens are involved in the influence of public policy from choosing their representatives to policy-making and implementation (Kim et al., 2005, p. 650).

According to different theories of democracy, there are at least three types of democracy: representative democracy considered to be a radical conventional theory, direct democracy and deliberate democracy (Cohen, Fung, 2004, p.23, 24). Each has its own strengths and weaknesses - the reason why the existence of all three types is important. Participation connotes a range of activities from voting to choosing representatives

(representative democracy); signing petitions; and joining in deliberations about policies and public problems (direct democracy), joining interest groups and secondary associations (civil society) (ibid.).

Voting participation to elect local governments, and non-voting participation such as initiatives of local governments and joining associations will be discussed. Direct democracy will not be mentioned, because it does not yet exist in Vietnam. In the context of good governance, participation is reflected in two aspects: (i) how government is elected, and (ii) the involvement of citizens in different initiatives organised by local government and the active citizenship involvement through association (civil society).

Electoral participation is found in conventional democracy whereby people elect their representatives and later those elected officials make decisions on their behalf. It is also defined as minimal democracy, as in Schumpeter's concept (1942) (in Przeworski, 2003, p.12). Election democracy is just a system in which rulers are selected through a competitive process (ibid.). The competitive election is the essence of democracy.

Electoral participation plays a critical role in democracy because it provides an equal chance for every adult to stand for office and to vote. In the competitive election, during the election campaign, parties and candidates make policy proposals and explain how these policies would affect the citizens' welfare. Through voting in a competitive election, people are able to choose the candidates or parties that would serve their interests.

Electoral democracy produces effective public actions because important decisions are in the hands of professional politicians and experts, because citizens have limited attention and political intelligence (Budge, 1996, p.48).

The weakness of electoral democracy lies in its advantages. Electoral democracy tends to limit citizens' participation in voting, leaving the main work of governance to the professional political elites. The concept of citizenship in electoral participation is rather passive. Moreover, citizens have interests but politicians also have their own. It is always a question whether the representatives really represent the public's interests and decide for the common good or for only a few big interests (Przeworski, Stokes, Manin 1999, p.5), (Budge, 1996, p.47). Sanctions for electing the wrong representatives only happen at the next election after four or five year terms.

Governments are representative because they are elected. Elections, by themselves, do not reveal much about democracy because the quality of democracy depends on the quality of the election. Electoral participation is meaningful only when people have the opportunity to choose their representatives via free and fair elections. An election is called free and fair when it has: universal suffrage for all eligible men and women to vote; freedom to register as a voter or as a candidate; freedom to create election campaigns for candidates and political parties; equitable access to financial and material resources for party and candidate campaigning (including equitable and balanced reporting by the free media); equitable treatment of electors, candidates and parties by election officials, the government, the police, the military and the judiciary; and an open and transparent ballot-counting process (Goodwin-Gill, 2006). Participation via voting in the elections of local councils in Hanoi and Berlin will be analysed by looking at key elements of voting procedures that decide the quality of elections: the free participation of voters, political liberties and competition.

Participation does not refer simply to voting; it implies a more active concept of citizenship. In the governance context, citizens participate in elections as voters, in public service as consumers or clients, in policy-making and implementation as co-producers and co-governors.

Citizen participation includes different forms of participation by which citizens have influence on policy making and implementation. Participation is the process of taking part in an activity or through which citizens can raise their voices on public affairs that directly affect their own lives (WBI, 2003). Complementary to voting participation are a number of initiatives on non-voting participation officially sponsored by the government. Initiatives range from formal consultation, service agreements, area-based forums, interest-forums to envisioning. Different forms of participation are classified based on the firmness of the government of their policy stance (Stoker, 1997, p.175).

Formal consultation and service agreements are top-down initiatives which are used to gain the confidence and support of the public for a certain policy. Only a few small elements are negotiable in top-down initiatives.

Area-based forums and interest forums are limited-dialogue strategies that start with local authorities but include a stronger involvement of the public. Through dialogue with the

public a policy can be changed considerably. Visioning is a bottom-up strategy in which the public is given the opportunity to shape and make decisions on policy frameworks. Visioning is an initiative that contains open dialogue and broadly active civic engagement. It is a critical trend in participation (Stoker, 1997, pp.175-179).

The different initiatives sponsored by governments to encourage ordinary citizens to participate in policy-making and implementation also have some potential problems. The participation of normal citizens not relying on permanent organisations (parties or associations) or on self-selected professional “activists” faces several obstacles. There is a lack of knowledge about rights and responsibilities, a lack of trust, experience, time, and limited access to information in the field. Citizens often lack the skills and the culture of participation and they focus on trivial issues rather than broad issues (Holdar, Zakharchenko, 2002, p.18).

It is very important to bear in mind that in this instance, citizen participation is organised by the government. It is the initiative whereby the government tries to involve normal citizens in the policy-making process. Many participation initiatives from government, however, have more persuasive characters, consultations and one-way communication, in fact, citizens that do not have access to the playing fields needed to influence public policies. There are other forms of non-electoral participation not stimulated by government. Beyond voting and initiatives sponsored by government, citizens have organised themselves into associations to affirm themselves and defend their rights.

Associations include organisations that are voluntary, faith-based, collective, charitable, professional, self-help, non-governmental, business like, and advocative. Some kinds of associations create avenues for direct participation in the regulation or production of public services such as education, public safety, and the provision of social welfare (Fung, 2003, p.516).

Associations form a major part of the structure of civil society that is often seen as a “buffer zone” between the state and its citizens. Participating in associations, individuals, especially those who lack resources, have the opportunity to express their views, to affect public policy without directly interacting with state organisations and political parties (Fung, 2003, p.516). Associations exhibit a wide range of contribution to public policy from expressing interests and preferences to policies and public consultations to implementing and monitoring those policies.

Associations with their variety of degrees of formality, autonomy and power create a civil society. Associations work in the interest of their members and as a bridge between the state and society. Associations help to build “social capital” such as social networks and interpersonal trust that enhance individuals’ capacity for collective political action (e.g., Putnam, 1995). Associations foster political and civic skills that facilitate participatory activities (e.g., Verba, Nie, & Kim, 1978, p. 100), (Verba, Schlozman, & Brady, 1995, pp. 309-310) (Guo, 2007, p.457).

Not all associations are important for political activities. “Simply being involved with non-political institutions does not foster political activity. What counts is what happens there” (Verba, Schlozman, Brady, 1995, p. 280-281). The effect of associations depends critically on the nature of the organisation and on its membership. The nature of the organisation, here, implies the capacity of associations to have financial and human resources so they can act according to the will of their voluntary members. In this study, several associations that are critical to political decision-making and implementation will be examined for the aspects of their autonomy and the voluntarism of their members.

“Participation should be voluntary rather than compulsory. People should choose whether and how to get involved” (Stoker, 1997, p. 157). In sum, participation is operationalised through the implementation of two main forms of local public participation:

- voting participation - voting in elections to choose representatives
- non-voting participation - other possibilities to participate in policy-making and implementation process, such as initiatives of participation sponsored by local governments and associations.

This study focuses on the implementation of different participating initiatives that include the freedom and willingness of people to participate and the meaningfulness of their participation.

2.2.3 Accountability

Accountability can be defined in a variety of ways, “it can mean many different things to many different people” (Bovens, 2010, p.946). Bovens has distinguished two aspects in his accountability concept: Accountability as virtue – and as mechanism.

Accountability as a mechanism can be defined as “passive accountability because actors are held to account by a forum, ex post facto, for their conduct.” (Bovens, 2010, p.951)

Bovens’s concept of passive accountability covers a core meaning of accountability that is widely accepted. Accountability is a formal relationship in which persons or bodies (called as actors by Bovens) are assigned authority by others (called as accountability forum) to perform certain tasks with agreed-upon standards and expectations. The agreed standards and expectation here already covers the contents of the actors’ conducts as well as the norms of their conducts.

Actors or “power holders” are persons and bodies, who are assigned power, have obligations to inform, to answer, to explain, to justify to the forum their conduct and to face the consequences (Bovens, 2010, p.951).

Actors can be individuals (an official or civil servant), public bodies, private corporations, international financial institutions or civil society organisations.

Each actor has different tasks and expectations to fulfil. For instance, the government is assigned power by the citizens to use power and financial resources (from the tax payers) for the public interest. Private corporations have an obligation to their stakeholders to use capital for benefit gain. International institutions, assigned power by different contributors, are obligated to fulfil their expectations.

In this research, the actors are local governments which include local officials and local politicians.

Local authorities are obligated to explain to the public why and what decisions they have made or not made. Explanations, however, while necessary, are not enough to hold local officials and politicians accountable.

It is assumed that actors will be punished for poor performance and to be rewarded for success. Local authorities must receive meaningful consequences for their actions or the results of their actions. Without meaningful consequences, accountability is just a formal statement. “Accountability means punishment” (Bovens, 2005, p.200). Meaningful consequences can be tangible and/or symbolic punishment (Thomas, 2003, p.549). For example, in a democratic system, the punishment is tangible when citizens vote political representatives or parties out in the next election if they are not satisfied with their performance. The tangible punishment for public officials is loss of office, demotion, etc.... The symbolic punishment is loss of reputation and the assignment of blame and guilt.

Forums have the right to interrogate and to judge the actions of actors. An accountability forum can be a specific person, such as a superior, a minister, or a journalist, or it can be an institution, such as parliament, a court, or the audit office (Bovens, 2010, p.951).

Different forums depending on their role can use different instrument to hold the actors accountable. For instance, there are legislative instruments (legislative committees and parliamentary questions), executive means (controls exercised by political executives over public agencies), and judicial or quasi-judicial processes (administrative courts and ombudsmen). Public hearings, interest groups, opinion polls, and media scrutiny are also important instruments in this respect (DeLeon, 1998, p.539) (Haque, 2000, p.606).

Accountability Mechanism

The relationship between actors and forums is reflected in the accountability mechanism which focuses on the descriptive aspects of the relationship between actors and forum (Bovens, 2010, p.957).

There are five aspects to the relationship between actors and forum which turn to a practice of accountability.

First, the actor is obliged to inform and to explain to the forum his or her conduct.

Secondly, accountability mechanisms ensure possibilities for the forum to interrogate the actor about the adequacy of the information or the legitimacy of the conduct. Those aspects closely link to transparency in terms of openness, availability and accessibility to information. Transparency is governed by the openness of the actors to let others know about the conduct. The mechanism gives opportunities for the forums to access information about the conduct in question and the results of the conduct.

Thirdly, the forum may pass judgment on the conduct of the actor. In passing negative judgment, the forum frequently imposes sanctions of some kind on the actor (Haque, 2000, p.599). A mechanism ensures that the forum may pass its judgment and the actors have to face the consequences for their conducts (Bovens, 2010, p.952).

Fourth, it is the content of accountability (the actor accounts for what).

Fifth is the relationship between the actor and the forum (vertical or horizontal).

Different accountability dimensions can be categorized by their content, standards and the relationships between actors and forums such as political accountability, legal accountability, administrative accountability, professional accountability, market

accountability, financial accountability and citizen accountability (Klenk, Pieper, 2012, p.349, 350).

Local governments account for their conduct. Accountability for their conduct involves a process in which local authorities hold themselves openly accountable for what they do or do not do and their working results. In a broader sense, politicians and officials are accountable for the successful realization of basic objectives including enhancing social-economic development, maintaining law and order, resolving poverty and unemployment, ensuring impartiality and equal treatment, safeguarding citizens' rights, and guaranteeing justice and fairness (Haque, 2000, p.601).

Based on the standards or content of accountability, the actors and the accountability forum, public accountability can be categorized into administrative and political accountability (Dubnick and Romzek, 1987) (DeLeon, 2003, p.570).

Administrative accountability implies that local officials are professionally and technically accountable through the hierarchical structures of departments. The forum here is the higher local officials in the administrative hierarchy. Administrative accountability refers to a hierarchical system with a clear chain of command in which a lower ranking officer is accountable to higher ones (Hood, 1998, p.232).

Public officials are required to answer periodically and to accept predictable and meaningful consequences for their actions (World Bank, 1994, p.29). Their conduct should follow the professional procedures (professional requirement, administrative hierarchy), legal aspects (the rules, laws...), and financial aspects (financial requirements and procedures...). Public accountability includes a desirable quality of local government conduct in professional, financial and legal aspects.

Professional accountability is marked by the compliance and appropriate professional practice of public officials in performing their work. Professional accountability also implies that local officials as individuals are held accountable for their conduct professionally. It covers individual responsibility, legitimate, adequate performance and effectiveness in doing one's job (Klenk, Pieper, 2012, p.349). The officials' rules, codes of conduct, official hierarchies and performance reviews play a critical role in professional accountability. Professional accountability also consists of organisational culture, professional ethics, and peer pressure. The forums are not only the higher-ranking officials, but also their

colleagues. Sanctions for unprofessional performance range from losing one's reputation or being excluded from the office (Klenk, Pieper, 2012, p.349). Rewards for professional conduct relate to gaining reputation and to making a career.

Legal accountability usually means public officials individually or on behalf of the organisation account for their actions to external bodies such as the legislatures or the courts (Gregory, 2003, p.558). Local officials' conduct have to be legitimate and in accordance with all legal requirements.

Political accountability means that politicians are held accountable for their actions. It covers all professional, financial and legal aspects. Politicians are called to account by different forums such as parliament, media and citizens... Politicians are expected to act in the best interest of common interests. They are held accountable by citizens, mainly through the act of voting (Hood, 1998, p.230). The relationship between actors and a forum in political accountability is horizontal.

Holding local administrations and local politicians accountable depends very much on the politico-administrative structure of a government.

The traditional model of public accountability in the parliamentary system is composed of a coherent chain of accountability - from official to official in the hierarchical structure of the bureaucracy, from official to appointed political official, from appointed political official to local parliament, and eventually from parliament to the people (McGarvey, 2001, p.18) (Gregory, 2003, p.559).

Using the Weberian conception of bureaucracy, it is presumed that each official is technically accountable in the hierarchy of the bureaucracy, then further up the chain to elected politicians and to the citizenry at large (McGarvey, 2001, p.18). In reality, many different officials as well as politicians become involved in different ways in the decisions and policies of government, "it is difficult even in principle to identify who is morally responsible for political outcome" (Thompson, 1980, p. 905). Holding accountable means having to bear blame. Therefore, politicians and public officials may get involved in the blame game in order to avoid or minimize punishment in the case of failure and to gain credit in the case of success (Hood, 2002). As there is the problem of many hands in the public sector, whether it would be collective or individual accountability when something goes wrong or well, is a critical question. All in all, someone must be held accountable for the actions of government.

Accountability as Virtue

Accountability also covers a normative concept, as a set of standard or appropriate behaviours of actors (Bovens, 2010, p.949). There is no detailed consensus about the standard for accountable behaviours, because it “]...[depends on role, institutional context, era and political perspective” (Bovens, 2010, p.949). The conduct of local officials and politicians, however, is accountable when it is transparent, responsible, responsive, fair and equitable.

A number of standard behaviours for local officials and politicians can be developed. In the governance context, local officials and politicians should stay in touch with other governance actors, respond to their needs, be open, engage in dialogue, provide explanations and be willing to learn from those other actors (Bovens, 2010, p.959).

Four dimensions: transparency, participation, evaluation and complaints and response handling, have been formulated as standard behaviours by the Global Accountability Framework. Transparency relates to the provision of accessible and timely information and the opening up of local authorities’ procedures, structures, and processes towards stakeholders. Participation implies the active involvement of all related stakeholders in the decisions and activities that affect them. Evaluation requires the local authorities to monitor and to review “...its progress against goals and objectives...” to learn from this and “...to report on the results of the processes” (Bovens, 2010, p.959). Ultimately, complaints and response mechanism needs “...channels... that enable stakeholders to file complaints on issues of non-compliance or against decisions and actions, and ensure such complaints are properly reviewed and acted upon” (ibid.). To be accountable, local government needs “...to integrate these four dimensions into its policies, procedures and practice at all levels and stages of decision-making and implementation, in relation to both internal and external stakeholders” (Bovens, 2010, p.959).

This study focuses on accountability as a virtue of local governments through the appropriate behaviours. Inappropriate behaviours such as corruption reflect the deficit of accountability.

The accountability mechanism sets an important source of norms (here including professional and ethical norms) for forum to judge actors’ conduct (Bovens, 2010, p.962). Public accountability at the local level includes two dimensions that involve local politicians and local administrators. Local politicians and officials are accountable for (i) using their power to serve the public interest in an efficient, effective and fair manner, and (ii)

answerability for their actions (Malena, et.at, 2004, p.2). When public power is abused, misused or not used in the manner it ought to be, politicians and officials have failed to fulfil their duties. Corruption is defined as ‘the misuse of office for non-official ends’ (Klitgaard, 1999, p. 100). It is the misuse of public power for personal gain. Corruption in public service reflects low productivity, low efficiency, low quality of performance, and unprofessional conduct. From the high level of corruption of local officials and politicians the researcher infers the existence of inappropriate behaviours and low level of local accountability.

Corruption can be seen in many shapes and forms. The World Bank categorizes corruption into two main types: state capture and administrative corruption. State capture refers to the actions of individuals, groups, or firms both in public and private sectors to influence the formation of laws, regulations, decrees, and other government policies for their own advantage. “Administrative corruption refers to the intentional imposition of distortions in the prescribed implementation of existing laws, rules, and regulations to provide private gains for public officials” (World Bank, 2000, p.xv, xvii). The three broad forms of administrative corruption are petty/bureaucratic corruption; grand corruption; and patronage.

Petty corruption occurs when individual public officials abuse their office, for example, “[...] by demanding bribes and kickbacks, diverting public funds, or awarding favours in return for personal consideration” (Shah, 2006, p.4). Grand corruption refers to “[...] the theft or misuse of vast amounts of public resources by state officials” (Shah, 2006, p.4). Embezzlement, theft and fraud refer to the taking or conversion of money, property or other valuables for personal benefit. Abuse of discretion means abuse of office for private gain, but without external inducement or extortion. Patronage involves the abuse of discretion for the advancement of the interests of family (nepotism), a political party, or a group with geographic, ethnic and cultural origin (ibid.).

Local governments are accountable for the use of public power in the public interest. Corruption is a symptom that occurs when something goes wrong with the conducts of public officials and the use of public power by public agencies. Stated differently, where there is a lack of accountability, corruption prevails. To analyse the level of accountability

in Hanoi's and Berlin's local governments, the prevalence of administrative corruption will be used as the first dimension reflecting the accountability of local governments.

This research focuses on the petty corruption of local administrations in delivering public services such as main administrative services, education, and healthcare. Administrative services might cover a wide range of services such as utility services (water supply, electricity, waste management...), and administrative procedures. The main administrative procedures cover granting applications or permits such as business licenses, construction permits, and motorcycle registrations. The corruption of public officials in administrative procedures is studied because these administrative services relate to and influence directly people's lives. Healthcare and education service are selected because they have a strong influence on people's lives and furthermore they have changed in the transition to a market economy in Vietnam.

The most important dimension of a local government's accountability is answerability for its actions. It includes explanations and sanctions. To hold local officials and politicians accountable, there is a need for effective supervision of and sanctions for their actions. The second dimension used to analyse accountability in Hanoi and Berlin is formal/informal supervision and the sanctions used in practice to ensure accountability.

Accountability of local officials is analysed by the prevalence of administrative corruption in some main administrative services, education and healthcare, its answerability and consequences for their conduct.

Accountability of local deputies is through their response to the problems and needs of local people, supervision of local officials, answerability and consequences for their actions.

Three criteria: transparency, participation and accountability have been operationalised and summarised in the following Table 1.

Table 1: Operationalisation of Good Governance Criteria

Transparency	Participation	Accountability Local officials	Accountability Local politicians
Availability of public information	Voting in elections of local councillors	Prevalence of petty corruption	Response to local needs and problems
Accessibility of public information	Other forms of participation and associations	Supervisions Answerability Sanctions	Answerability and Sanctions

It is assumed that institutions influence the level of good governance by their impact on the actions of governance actors (public officials, politicians and citizens). The level of good governance depends on the institutional set-up of a country. In order to explain the development of good governance in Hanoi and Berlin, different concepts of institutions, an explanation of the interaction between institutions and the actions of individuals, and institutional change as described by different schools of thought are reviewed in the next part.

Institution

2.3 Different Approaches towards Institutions and Behaviour

Institutionalism exists in multiple branches of social science (political science, sociology, and economics) with multiple definitions, methodologies and looks (“old” and “new”). Different schools of thought on institutionalism have different answers to the questions about what institutions are, how they affect the behaviour of individuals and how institutions change.

Old institutionalism, an approach dominant in political science after the post-war period, focuses on analysing government structure and formal laws.

In old institutionalism, institutions are related to organisations and rules promulgated by formal organisations. Organisations are groups of individuals bound by common objectives. Organisations are collectives. Organisations include political bodies (e.g. political parties, parliament, a city council, public administration); economic bodies (e.g. firms, trade unions, family farms, cooperatives); social bodies (e.g. churches, clubs, associations); and educational bodies (e.g. schools, colleges, training centres) (North, 1992, p.5, 6). Institutions under the old institutionalism cover constitutions, cabinets, parliaments, bureaucracies, courts, armies, federal and autonomy arrangements and political parties (Lecours, 2005, p.6).

The first dominant characteristic of old institutionalism is legalism. Formal laws create the structure of political systems and their functions. Therefore, formal laws played a critical role in governing. Laws constitute government structure and as such it is an institution that has the ability to shape the behaviour of citizens. Laws were the tools governments used to influence the behaviour of citizens (Peters, 1999, p.6).

The second dominant characteristic of old institutionalism was structuralism. In this approach, formally-designed organisations within a political system were very important. It assumed that behaviours of individuals were determined by structures (Peters, 1999, p.7). This assumption denied the impact of individuals on the course of events within government. It also ignored the important informal aspects of politics.

Another characteristic of old institutionalism was history. Old institutionalists stressed historical elements. The history of a country played a critical role in shaping its current political system (Peters, 1999. p.9, 10). In order to understand the contemporary political system of a country and individual behaviour it is necessary to understand the country's history.

New institutionalism emerged during the 1980s in response to the weaknesses of the behaviouralist paradigm in political science and the neoclassical paradigm in economics. It is important to note that new institutionalism is not one theory but is made up of theories from multiple schools of thought. Even though different scholars have classified and used their own terms to the different approaches to new institutionalism, there are three most-accepted schools of thought on new institutionalism. They are rational choice institutionalism, sociological institutionalism and historical institutionalism (Peters, 1999, 19, 20).

Institutions in the new institutionalism have moved away from their formal legal roots and have distinguished institutions from organisations. Institutions are defined as sets of norms and rules that shape the way in which organisations operate (Bouma, 1998, p. 233). Institutions include collections of norms, rules, understandings and routines (March, Olsen, 1989, p.21-6). Formal rules (as in constitutional rules) and informal rules (as in cultural norms) of institutions constitute prescriptions ordering repeated, interdependent relationships (North, 1990; Hall and Taylor, 1996). Institutions structure the relationship between individuals in various units in the polity and economy (Hall 1986, p.19).

In the broadest sense, institutions are simply rules (Steinmo, 2001). By and large, organisations are players while institutions are the rules of the game. The rules of the games consist of both formal and informal rules.

2.3.1 New Institutional Economy - Rational Choice Institutionalism

The neoclassical paradigm has assumed an instrumental rationality with an institution-free theory. Participants are able to perceive the world as it actually is. Their choices are predictable because they are based on calculations for maximizing benefit (North, 1992, p.1). The key assumption of the neoclassical theory is zero-transaction cost since participants have complete information and unlimited mental capacity.

The new institutional economics was first introduced by Williamson. He emphasizes that institutions and the existence of transactions cost do matter (Williamson, 1975). A new institutionalism economy emphasizes the role of institutions in shaping individuals' rationality and eventually their behaviour. Institutions play critical roles in limiting individual rationality. Individuals make choices based on their perceptions, which are limited and bound by the institutional environment (North, 1992, p.2). Within the ever-changing world and incompleteness of information and limited perception capacity the transaction cost is indeed not zero.

Rational choice explains human behaviour as instrumental based on strategic calculations. Individuals are rational and self-interested actors. The reason for their actions is "logic of consequences". The new institutionalism disagrees with rational choice as a way of explaining human behaviour as simply a rational calculation to maximize benefit. According to the new institutionalists, rational choice ignores the importance of culture and cognition (North, 1992, p.1).

While rational choice assumes the calculations of individuals are not influenced by institutions, new institutionalism emphasizes the embedding of rationality in an institutional context (Koebel, 1995, p.233). Institutions are defined as the rules of the game and a set of incentives that shape interaction among individuals. This means individuals cannot simply calculate according to what they prefer, but have to take into account the rules of the game in their calculation. Their preferences are based on their bounded-rationality because of the incomplete information they received as well as their limited perception (North, 1992). In other words, their preferences are formed by their given roles, their understanding and the incentives offered by the institutions (March Olsen, 1989, p.22).

Institutions provide strategic information on the consequences of actions. Individuals behave strategically in order to maximize the attainment of a set of goals assigned to their roles (Hall, Taylor, 1996, p.7). March and Olsen mention that "institutions shape the definition of alternatives and influence the perceptions and constructions of the reality within which actions take place" (March and Olsen, 1995, p.29). When s/he acts according to her/his "logic of consequences", s/he asks what my alternatives are, what my values are, and what the consequences of different alternatives on my values are. And then s/he chooses the alternative that has the best consequences (March and Olsen 1989 p, 160).

2.3.2 Sociological Institutionalism

Sociological institutionalism has strong roots in the various sociological theories of organisation. Many scholars have contributed to the conceptualization of institutions and the relationship between institutions and behaviour. In sociological institutionalism, the comprehensive overview of institutions as identified by Scott will be used in this research. Scott describes the three essential elements or pillars of an institution as regulative, normative, and cultural-cognitive pillars (Scott, 1995, p. 47). Scott attempts to distinguish between the three pillars of institutions, even though he emphasizes that they are “elicited” (ibid.).

The first pillar of institutions, a regulative system, gives emphasis to the function of institutions as constraints and regulators of behaviour. It includes the ability to establish rules and to control and to constrain behaviour through reward or punishment (Scott, 2001, p.54). Sanctions can be meted out through a formal process that involves formal actors such as the police and courts or through informal ways such as shame or avoidance, and exclusion from activities.

The regulative pillar’s emphasis is on the actions of individuals and their compliance with “legal or quasi-legal requirements”. Institutions are more exogenous factors because sanctions and rewards are extrinsic (Scott, 2001, p.54). The regulative pillar is very similar to the rules of the game in the rational approach. People comply with the rules in order to gain what they want or to avoid sanctions.

This regulative pillar is closely linked to the formal-structure of the “old institutionalism” in which formal laws and government structure shape the behaviour of individuals.

The second pillar, the normative system, consists of values and norms. Values refer to the concept of what is preferred or desirable in society. Norms define the legitimate means to achieve the desired. The normative pillar establishes a prescriptive, evaluative and obligatory dimension to social life. The norms and values impose and enable individuals’ actions as well as constrain them by specifying what is “supposed” or “appropriate” to do to pursue what they prefer (Scott, 2001, p.55).

Table 2: Three Pillars of Institutions

	Pillars		
	Regulative	Normative	Cultural-Cognitive
Basis of Compliance	Expedience	Social Obligation	Taken for granted Shared understanding
Basis of Order	Regulative rules	Binding expectation	Constitutive schema
Mechanism	Coercive	Normative	Mimetic
Logic	Instrumentality	Appropriateness	Orthodoxy
Indicators	Rules Law Sanctions	Certification Accreditation	Common beliefs Shared logics of actions
Basics of Legitimacy	Legally-sanctioned	Morally-governed	Comprehensible Recognizable Culturally-supported

(Scott, 2001, p.52)

The normative pillar uses the same argument of “logic of appropriateness” developed by March and Olsen to explain individual actions (March, Olsen, 2004). The normative pillar controls the actions of individuals in a more intrinsic way because individuals act according to the common appropriate values and norms in society they accept. They do not behave in a particular way to receive additional incentives or to avoid sanctions. However, when individuals do not act in accordance with the norms and values in society they can be sanctioned through informal means such as exclusion or be looked down upon (Scott, 2001, p.55). But the main point of the normative pillar is the sharing of common values and norms people in society accept and then act upon accordingly.

The third pillar, the cultural-cognitive system, is an important contribution to new institutionalism that explains the behaviours of individuals. The cultural-cognitive dimension refers to the subjective interpretation of actors (individuals, groups, organisations) of the objective world which is influenced by the external cultural framework (Scott, 2001, p.58).

The cultural-cognitive pillar concentrates on the essential rules embedded in cultural systems. Institutions are composed of shared perceptions, interpretations, beliefs,

symbols, values, visions and world views in society. They provide moral or cognitive templates – the filters for interpretation of a situation and the very identities, self-images and preferences of the actors (Hall, Taylor, 1996, p.7, 8). The cultural-cognitive pillar provides “socially mediated construction of a common framework of meaning” (Scott, 1995, p. 58). Sometimes instead of acting according to the rules or based on obligation, behaviour is taken for granted out of habit, custom or perceptions. "Compliance occurs in many circumstances because other types of behaviour are inconceivable; routines are followed because they are taken for granted as 'the way we do these things'" (Scott 2001, p. 57). Individuals make certain choices or perform certain actions because they do not see an alternative.

In short, without denying that human behaviour is rational or purposeful, the cultural cognitive approach stresses that the choice of a course of action depends on the cultural environment rather than on purely instrumental calculations (Hall, Taylor, 1996, p.7, 8). In the cultural cognitive approach, behaviour is not fully strategic but bound by an individual's worldview and self-image. The actions of individuals influenced by cultural-cognitive elements are preconscious and taken for granted (Scott, 2001, p.60, 61). Widely-accepted symbols, understanding and beliefs in society construct a course of actors' behaviours. Certain actions have been taken for granted but that doesn't mean that all individuals are pleased with those actions. They behave this way because it is all they know.

It is very critical to note that there is no clear-cut difference between the three systems, and they are indeed interconnected and influence each other. The regulative system - rules, regulations and laws - pertains to formal norms that must be followed. Similarly, the formal norms of laws and regulations reflect the cognition of law and the rule-makers. Besides the regulative system, institutions also consist of normative and cognitive-cultural systems. The normative and cognitive-cultural systems are informal rules indicated by traditions, habits and a shared logic of actions (appropriateness and consequences). They also cover the unwritten sanctions for inappropriate actions.

The three pillars of institutions, regulative, normative, and cognitive, create the actions of individuals which are continuously moving “from the conscious to the unconscious, from the legally-enforced to the taken for granted” (Hoffmann, 1997, p.36 in: Scott, 2001, p.51). Each of Scott's pillars has a different principle for legitimacy, either in virtue of being

legally-sanctioned, morally-authorized, or culturally-supported. The regulative pillar emphasizes rule setting and sanctioning; the normative pillar contains an evaluative and obligatory dimension, while the cultural/cognitive pillar involves shared conceptions and frames of meaning (Powell, 2007). The three pillars of institutions can complement or compete with each other. The three systems of institutions might compete or support each other. The interactions of the three systems of institutions gradually create the logic of action which is widely accepted in a society. The logic of action here includes logic of consequences, logic of appropriateness and self-cognition.

Different approaches such as historical institutionalism, rational choice institutionalism, and sociological institutionalism have different explanations for institutions and institutional change as well. Institutional change is important to explain the life of institutions, where institutions come from, how they are maintained, and how they change. Institutional change theory helps to explain why it is difficult for developing countries to change their institutions. It is therefore critical to establish whether an improvement of institutional weakness in Hanoi is possible or not.

In the next part, the different approaches toward institutional change will be reviewed.

2.3.3 Institutional Change

As institutions do not exist in a vacuum to survive, institutions need to change. Institutional changes can be evolutionary or revolutionary.

The old institutionalism assumed that history moves forward or there is a progression over time. In contrast, historical institutionalism in the new approach does not share this idea of linearity of progression in history. Historical institutionalism assumes that institutions, when formed, take on a life of their own. Institutions are often reproduced and have a long continual life and their influences last far into the future. New or reformed institutions are not (completely) independent from those that existed in the past. Institutions in the present reflect the influence of previous institutional configurations. According to the historical institutionalists the past shapes the future (Ebbinghaus, 2005, p.3). It uses the key concept “path dependency” as a framework to explain how institutions take such a path or why a nation has chosen a particular trajectory at a particular time and not other trajectories. Institutional changes in terms of path dependencies are unintended consequences rather than strategic constraints (Hall, Taylor, 1996, p.7), Lecours, 2005, p.16).

Rational choice institutionalism argues that individuals have the capability to change existing institutions when they fail to serve their purpose.

In rational choice institutionalism, institutions do not automatically appear because they are needed, they must be created (Peters, 1999, p.54). Institutional change in rational choice theory occurs when existing institutions become dysfunctional or fail to meet the requirements for which they were formed, thus an actor makes a conscious decision to change them. In other words, institutional change is a conscious process (Peters, 1999, p.56, 57), (Lecours, 2005, p.16). Newly-formed or reformed institutions have their intended consequences (Cortell, Peterson, 2001, p.772, 773). Government reform in many cases can be analysed under rational choice institutionalism. Government reforms respond to different changes in and external requirements of the environment or the internal motivation of the government. Each reform has its own overall concept driven by different ideologies by reform designers in a country.

Institutional change, from the sociological institutionalist's perspective, does not necessarily occur when institutions lose efficiency as argued by the rational choice approach, but rather when they are not in accordance with the dominant social and cultural code (Olsen, 2001, p.195) (Lecours, 2005, p.19).

The dynamics of institutional change could be elements of competition, adaptation, or design (March, Olsen, 2005, p.13). To synthesize a different explanation of institutional change under the different three schools of thought in the new institutionalism, institutional change is seen as:

- a result of competition and environmental requirement
- or a result of political choice and sovereignty,
- or as a result of a perfect institutional autonomy and internal dynamic (Olsen, 1992, p.249).

Institutions' changes can be designed by a single individual or by a collective of actors who are able to do so. Nevertheless, designing change need not mean that to better maximize goals, new institutions are required. Institutional change happens through a learning process in which actors adapt designs as a result of feedback from experience or by borrowing from others (March, Olsen, 2005, p.14).

Institutional change can happen in converging directions. This is called institutional isomorphism and explains why institutions in a similar domain tend to look alike. Three mechanisms that lead to institutional isomorphism are: coercive, normative, and mimetic (DiMaggio, Powell, 1983, p.150). The convergence in coercive mechanisms happens because of the force of the state through regulatory oversight and control and cultural expectations in society (ibid. p.151); normative mechanism stems from the influence of the professions and the role of education (ibid. p, 152). Following norms, codes of behaviour and well-accepted practices in a profession leads to convergence; and in mimetic mechanisms the convergence results from convenient or taken-for-granted practice to responses to uncertainty (DiMaggio, Powell, 1983, p.152).

On the one hand institutions form the meaning of individual behaviours; on the other hand, individual behaviours can also create changes in institutions. There are different types of institutional change. Change is a constant feature of institutions. Institutions with their own dynamics can resist or facilitate change. Institutional change can be competitive among different institutions or adaptive to survive with a change in environment, or purposive (designed by an influential personality or group) (March, Olsen, 2005, p.13). Institutional transformation can be evolutionary or revolutionary (ibid. p.19).

In order to improve the level of good governance in a country, different reforms or change in formal institutions should be initiated. Achieving good governance is also a change process. In order to achieve good governance different reform initiatives have been implemented. The history and culture of a country matter the most and they should be given top priority to understand the existing level of good governance as well as to ensure the success of governance reform initiatives. The success of different reforms depends not only on the reform concepts and the capacities of countries but also on their cultures and traditions. The institutional context and administrative capacity need to be taken into account in each particular case. The success of reforms depends very much on the actors (government, organisations, groups, and individuals) involved in implementing them. What governance actors would like to do and what they can do depends on the institutional framework in which they work. To make any change happen, it is necessary to change the formal institutions of rules and laws but that alone is not enough. Informal institutions (norms, values, cognitions of governance actors) that create taken-for-granted behaviour, habits, customs and tradition, are harder to change. Informal institutions can facilitate or

hamper change. Institutions facilitate the changes or create inertia from routine and habits that hamper change.

In the following section, the analytical framework which is used as guideline to analyse the dependence of good governance on institutions in Hanoi and Berlin will be developed.

Analytical Framework

2.4 Analytical Framework

This analytical framework consists of three dimensions, which are institutional arrangement, governance actors and level of good governance. (See Diagram 2)

The institutional arrangement consists of regulative, normative and cultural cognitive pillars. The three different pillars of institutions define the widely accepted logic of appropriateness and logic of consequences in a society. Governance actors are defined as local governments and their interactions with other actors such as private companies, association and citizen. The level of good governance discussed below focuses on the three basic criteria of good governance: transparency, participation and accountability.

The relationship among these three dimensions in this framework includes: institutional arrangement and the level of good governance, institutional arrangement and governance actors and governance actors and the level of good governance.

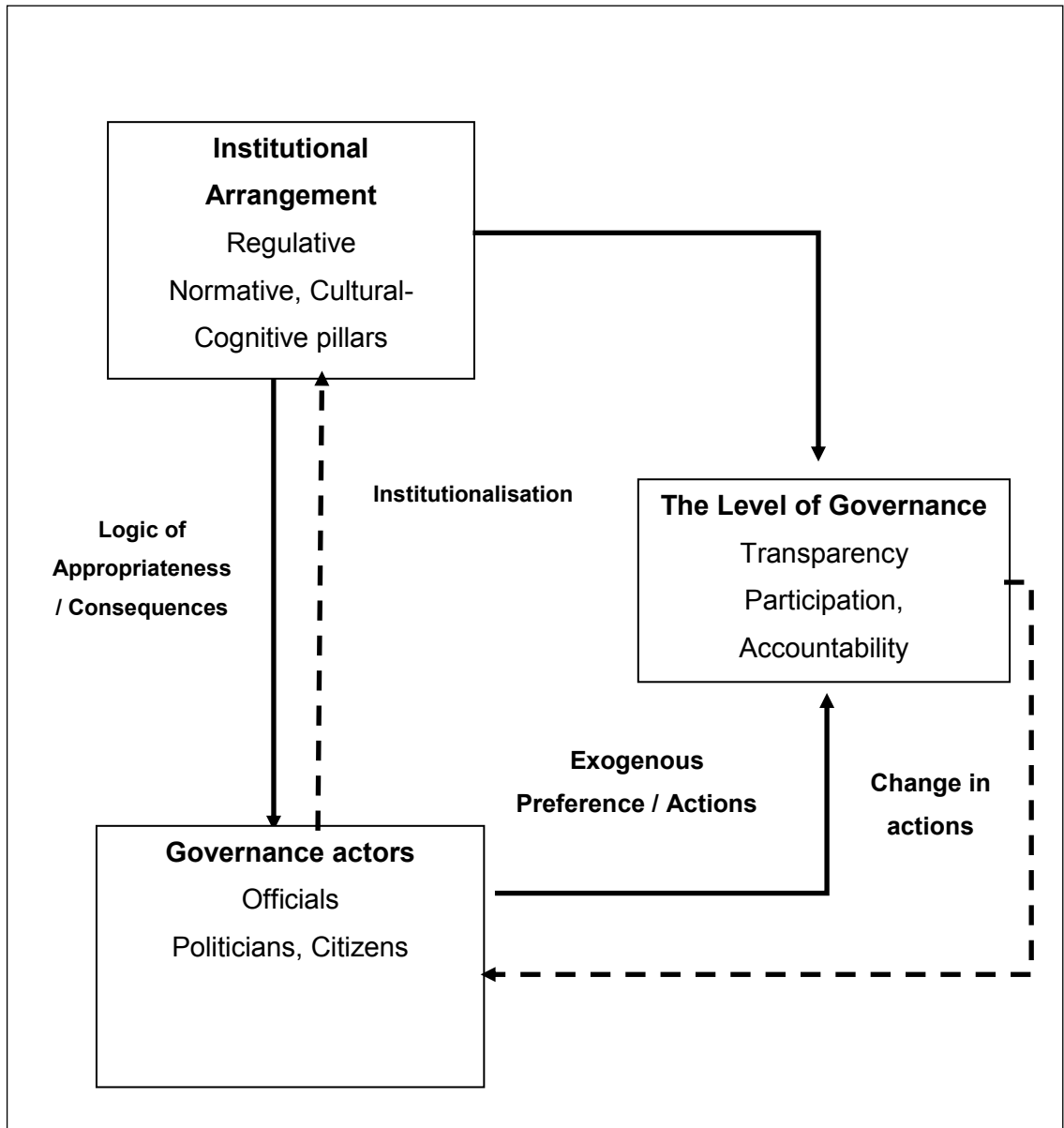


Diagram 2:

The Analytical Framework of the Level of Governance Depends on Institutions

(Source: Own diagram based on “A Model of New Institutional Economics” (Williamson, 1994, p.80)

2.4.1 Institutional Arrangement - the Level of Governance

Governance is seen as a set of institutional frameworks under which governance actors interact to solve public problems and satisfy the more complex demands of society (Hyden, 2002, p.16). Governance includes governing structures, governing processes and governing results to serve society (Jreisat, 2002, p.2). Governance of a country is institutionally bound. Different countries have different institutional structures (governing

structure) in which governance actors interact (governing process) to achieve the desired social and economic results.

Institutions consisting of regulative, normative and cultural cognitive pillars set governance structures. The formal laws define the role of the legislature, the executive, and the judiciary branches, the political parties, private sector and civil society organisations and the types of interactions among them. The formal institutions define the governing structure in how government will command, or steer, or enable, or coordinate in the process of achieving collective goods. The roles of the state, civil society organisations and private sector are defined according to the governance approach of a country. The formal regulations which design the formal governance structure of a country already reflect the formal cognitions and norms a government follows. A country might follow the ideology of social market economy, market economy, planned economy, democracy or dictatorship...

A country usually has a mixture of the three governance mechanisms: hierarchy, market, and network. The level of the mix of governance mechanisms differs from country to country, which depends on the governance approach a country follows. In a country the mix of governance mechanisms also varies according to public policy areas. The choice of a specific governance mechanism depends on the conditions under which the governance mechanism must work effectively and the government's perception of an effective mechanism as well.

Summing up, the formal institutional setting establishes the legal and judicial systems, political systems, and the structure of the government itself. The formal regulations, related policy and reforms set up a hard framework for governance. In other words, these formal regulations already determine the level of good governance because they define governing mechanisms and processes in which and how information is made available, accessible, how citizens can involve in politics, and how government is held accountable. In the case of Vietnam, Hanoi, some related formal regulations include Constitution (1992), the Law on Organisations of People Committees and People's Council, the Law of Press, Grassroots Democracy Policy, the Law on Election of People Committees and People's Councils.

In the case of Germany, Berlin, the important regulations are the Basic Law, the Berlin Constitution and the Public Administration Law...

The regulative institutional frameworks already play a critical role in shaping the formal frameworks for governance actors to interact.

Governance actors not only implement different government policies as such, but also implement them as individuals based on their identities and memberships in communities. As individuals in society, their behaviours are determined by the common norms, values, and expectations of their society. The institutional arrangement at the same times also defines accepted norms and values in society. The interrelation between institutional arrangement and governance actors is discussed below.

2.4.2 Institutional Arrangement - Governance Actors - Logic of Appropriateness/Consequences

Institutional arrangement consists of the three institutional pillars which are regulative, normative and cultural cognitive.

The regulative pillar consists of a stable system of rules either formal or informal, endorsed by surveillance and sanctioning power and is a critical element in creating and maintaining institutions (Scott, 2002, p.54).

The normative pillars which include “shared norms and values” are “regarded as the basis of a stable social order” (Scott, 1995, p. 56) (Terry, 2005, p.434). The existence of institutions is stable over time (Peters, 1995, p.18). As institutions are extremely stable, the behaviour of individuals is predictable. Institutions, as social norms regulate social interactions, provide stability and meaning to behaviours of individuals (Terry, 2005, p.435).

Institutions mainly have the function of reducing uncertainty in a complex world and stabilizing human behaviour, providing actors with an opportunity to act without always having to consciously think about their actions (Edelenbos, 2005 p. 114). The cultural-cognitive pillars imply the behavioural routines that are “taken-for-granted” help to ease the difficulties in daily decision-making.

The three pillars of institutions defined by Scott have many points in common with the “logic of action” including “logic of consequences” and “logic of appropriateness” developed by March and Olsen to explain the relationship between institutions and behaviour.

The “logic of appropriateness” explains that the actions of individuals depend on the idea of identities and concepts of appropriate behaviour. “Appropriateness” means matching behaviour to a situation based on role expectations. This process involves determining what the situation is, what role is being fulfilled, and what the obligation of that role in that situation is (March, Olsen, 1989, p.23). As March and Olsen explain “Actions of individuals depend on three questions: what kind of a person am I? What kind of a situation is this? And what does a person like me do in a situation such as this?” (March, Olsen, 1995, p.7) The “logic of appropriateness” emphasizes matching the actions of a role to a situation. The logic of appropriateness is shaped by the interaction of the three pillars of institutions. Appropriateness is shaped by roles, rules, duties, and rights (March, Olsen, 1995, p.31). Appropriateness includes norms and expectations of how a role is supposed to act in a certain situation. Appropriateness includes routines and standard operating procedures and practices. Appropriateness as rules of action is derived from self-perception and the perceptions of society and from the shared meaning and practices in society (March, Olsen, 1995, p.32). Stated differently, the logic of appropriateness is shaped by rules and the normative and cognitive and cultural pillars. The actions of individuals are based on the logic of appropriateness and codes of conduct more than the anticipation and calculation of uncertain consequences and the expected value of alternative behaviours (March, Olsen 1989, p.22).

It is very critical to note that appropriateness is defined differently across institutional contexts. Appropriateness will be defined differently by different people and different cultures. Ideas regarding what is appropriate are not an individual matter because “different institutional-cultural contexts generate different standards of appropriateness and make it possible for participants to appeal to common meanings of social bonds” (North, 1990, p.102) (Olsen 2005, p 254). Some forms of enforcement including formal and informal rewards and sanctions are necessary to shape the logic of appropriateness. In other words, individuals still need to know about the consequences they might confront if they act inappropriately. The logic of consequences, in this instance, does not refer to maximization of their interests. Institutions give order to social relations, provide stability, reduce flexibility and variability in behaviour, and restrict the possibilities of pursuing only self-interest (Scott, 2001, p.50).

The institutional arrangement has formed a set of common beliefs, values and norms of how things should be done in society as well as concept and self-concept, expectations and normative definitions of good citizens, local officials and politicians in Hanoi and Berlin.

The logic of appropriateness does not always mean positive or good. “Positive” or “good” are perceived differently. Institutions are the result of different concepts of justice, moral foundations, practices and expectations. Moreover, the resources or the capacities of the situation in which institutions develop are also very important (March, Olsen, 2005, p.8). The interactions among local governments and other actors are formed by institutional arrangement. These interactions in turn result in the level of good governance. These relationships between governance actors and the level of good governance will be analysed in the next part.

Governance Actors - the Level of Governance - Exogenous Preference – Action

Institutions make us who we are: citizen, prime minister, civil servant, and someone who owns and owes (Dworkin 1986, vii) (Olsen, 1992, p.251). Institutions shape the concept of our roles as citizens, public servants and politicians. Norms, values and cognitions that different governance actors hold are critical for their interactions with each other.

Individuals may act in a calculating or purposive (rational – logic of consequences) and/or normative and obligatory (logic of appropriateness) and/or cognitive (taken for granted) way. Institutions can influence local officials, politicians and citizens to act: within institutions to maximize benefits (rational actors), or comply with the shared values of what one is "supposed" to do (normative institutions) or act under his/her perception of the way to do things (cognitive institutions – taken for granted). The actions of governance actors are influenced by the logic of appropriateness and logic of consequences that are the way thing should/must be done in society.

Rules, norms and cognition are followed because they are seen as natural, rightful, expected, and legitimate (March, Olsen, 2005, p.8). Compliance with institutional rules and norms might be voluntary or subject to various controlling and enforcement practices. Formal rules and monitoring and enforcement mechanisms are required to sustain or support the compliance of rules (North 1990, p. 384-85). However, laws can be firmly enforced in a context where people share the same belief that laws are made to be

followed and not to be broken. When people believe that a law is meant to be broken, the regulative pillar has to step back to the cognitive pillar. This means that laws exist, but are not firmly implemented. People gradually act not according to the law but by following the practices that society accepts, because there is no alternative. The interactions among governance actors within its formal and informal institutional arrangement finally bring about the seriousness as well as the success of law implementation or any policies or reform implementation.

Individuals' acts are influenced by institutions. Actions are guided by the logic of actions widely-accepted by society. Institutions empower and constrain the actions of individuals. Individuals act to maximize their benefit within the institutional framework. Formal and informal institutions create "logic of appropriateness" and "logic consequences" accepted by society.

Institutions affect what collectives are motivated to do and what they are able to do. The new institutionalists are interested in the distinction between the "expressed" and "real" preferences of individuals (Immergut, 1998, p.6,) (March, Olsen, 2005, p.7). An individual might hold his/her own logic of appropriateness, values and norms, but s/he has to act in accordance with the logic of appropriateness, common norms and values in society because they are not able to do differently. Individuals operate in an environment consisting of other actors (organisations, groups, citizens). They must cope with the constraints and pressures of the environment to survive. Individual actions can be taken because the actor does not know of any other options, or they have to act according to the well-accepted logic of appropriateness, because if they don't, they might be outcast from society. It is important to keep in mind that actions of the individual which follow the "logic of action"- "exogenous preferences" in society do not always reflect the real preferences and the logic of action that an individual holds.

Actions of individuals are products of institutional arrangement, and the levels of good governance are products of the interaction of governance actors within an institutional arrangement. The interaction among institutions, actions of governance actors and the level of good governance are "dual" or bi-directional.

2.4.3 Level of Governance - Governance Actors - Institutionalisation

Institutions empower and constrain the behaviour of individuals. The interactions between institutions and individuals' actions are "dual" or bi-directional. On one hand, institutions shape the behaviours of individuals. There are the processes that translate structures, laws (formal institutions) and norms, values (informal institutions) into good governance. On the other hand, institutions are products of human actions (Olsen, 1992, p.250). There are the processes that translate human actions into structures and rules and establish, sustain, transform or eliminate norms and values (institutions) (March, Olsen 2005, p.4). Individuals through their course of action form and reform institutions (Peters, 1999, p. 35, 57, 58).

Governance actors in Hanoi and Berlin interact within a complex and dynamic environment. The way they interact might be changed after a certain period of practice. Under certain institutional arrangements, some interactions might be formed due to the change in formal laws, or norms in society, these interactions are slowly accepted. Stated differently, the level of good governance can also determine the actions of governance actors, and their actions can be institutionalized.

"Institutionalisation" refers to "the social process by which individuals come to accept a shared definition of social reality — a concept which is independent of the actor's own views or actions but is taken for granted as defining "the way things are" and/or "the way things are to be done" (Scott, 1987, p. 496).

Institutionalisation is a process by which individuals within a certain institutional setting create new institutions. It can be seen as impact of individuals on the institutions they are in. New shared assumptions, beliefs, values and common practices are produced. To form and to maintain institutional arrangements and interactions among actors is a long process.

An institution has its own identity and internal dynamics as well as resources. Institutions create opportunities while at the same time they may constrain institutional transformation (Olsen, 1992, p.257). Existing arrangements impact how institutions emerge and how they are reproduced and changed. Institutional arrangements can prescribe and proscribe, speed up and delay change.

The contemporary political system depends upon society, but the existence of society depends on laws and the state. The existence of society and the state is one of mutual dependence (March, Olsen, 1984, p.744).

The study of the institutional frameworks that set the condition under which governance actors in Hanoi and Berlin interact is very important to the understanding of the level of good governance in those cities.

In the next part, the methodology, data collection and the limitations of the research are discussed.

3 Methodology, Data Collection and Limitations

3.1 Research methods

Case study research is a traditional approach in social science.

The case study is a relevant research method as it “[...] addresses either a descriptive question—“What is happening or has happened?”—or an explanatory question—“How or why did something happen?” (Yin, 2012, p.5)

This case of Hanoi and Berlin answer the questions “What are the levels of good governance in the two cities?”, and “Why do they reach those levels? or how do institutions impact on the levels achieved?”

One of the strengths of case study research is its capacity to identify causal relationships through in-depth review as well as the richness of detail that might not be achieved in a statistical study. All research methods have their weaknesses. One of the weaknesses of the case study is that selected cases might not be representative. Therefore they cannot easily be generalized and “... cannot contribute to scientific development” (Flyvbjerg, 2006, p.219, p.227). The cases of Hanoi and Berlin might not allow “formal generalization” but they may help to accumulate knowledge about institutions and local good governance. The aim of the study is to analyse rather than to statistically generalize from the two cases. Case studies of Hanoi and Berlin are explanatory and illustrative which help to have insight understands about their institutions and their level of good governance.

The hypothesis of the research is that there is a direct relationship between the institutions of a country and its level of good governance. The two variables of the study: institutions (formal and informal), and level of good governance have been operationalised.

The first variable is institutions. As the nature of institutions, it is not easy to have a clear-cut distinction between the three pillars of institutions (regulative, normative and cultural-cognitive).

The regulative system - formal institutions here include formal regulations which form a framework of transparency, participation and accountability. The normative, cultural-cognitive systems - informal institutions cover norms, values, traditions and habits. The comparison of institutions and good governance focused on different levels and units of analysis. The comparison levels are country, city, local government, local politicians, and local officials.

The levels and units of analysis in the study of institutions are summarised in the table bellows:

Table 3: Levels and Units of Analysis in the Study of Institutions

Level of analysis	Units of analysis	
	Formal institutions	Informal institutions
<i>Country</i> Vietnam and Germany	Laws and regulations Administration reform	Cultural dimensions, important norms, values, ideologies, traditions and habits
<i>City</i> Hanoi and Berlin	Local government structure and functions Administration reform	Important norms, values, ideologies, traditions and habits
<i>Individuals</i> Local politicians, Local officials	Official roles and functions	Important values, norms, habit, conception of the self

Case study is a research approach that can be based on a mix of quantitative and qualitative evidence (Yin 2002). By using multiple sources of evidence, case study ensures the richness and objectivity of the research (Yin, 2003, p.4).

The research of formal and informal institutions in Hanoi and Berlin uses qualitative and quantitative approaches. It is a work of synthesis pulled together from different sources of data.

Legal documents directly influencing transparency, participation and accountability are also used and are a primary source of objective data in this study.

The important values and norms that create Vietnamese and German peace of mind are analysed according to the cultural dimensions outlined by Hofstede: the Power Distance Index, Individualism, Uncertainty Avoidance Index, Long Term Orientation and Masculinity. The cultural dimensions together with the detailed analysis of cultural cognitive that relates to actions of governance actors in the context of good governance will be elaborated the next chapter.

The Hofstede cultural dimensions provide a general picture of Vietnamese and German culture. The details in-depth about culture and perception toward good governance are

analysed through the questionnaire (see Appendix 10) and semi-structured interviews of local officials and deputies in Hanoi and Berlin.

In order to present a different view of the values, perceptions and culture of Vietnam, questionnaires are sent via email to foreigners who have lived and worked (or have been living and working) in Vietnam. Asking the Vietnamese direct questions on how thoughts or culture influence their work would be difficult for interviewees to answer, because it would be similar to asking “[...]fish to describe the water in which they swim” (Rubin, 1995, p.20). The questionnaire is structured into two main parts. In Part One the foreign experts are asked about the important values of Vietnamese people according to their observation. The observations of the concrete meanings of different values such as family, and individualism are also elaborated in order to have deeper details and other aspects about Vietnamese culture. In Part Two the experts are being asked questions about the level of good governance (transparency, participation and accountability). In this Part also raises questions which are based on assumptions about related Vietnamese norms, values and perceptions that influence good governance.

Aside from the result of this small quantitative analysis, and the data from second hand research on the current norms and values of society, data was obtained through semi-structured interviews with local officials and politicians in each of the cities. This qualitative approach is often recommended for examining the complex relationships between understanding, values, cultures and behaviours. In qualitative interviews, researchers are “[...]more interested in the understanding, knowledge, and insights of the interviewees than in categorizing people or events in terms of academic theories” (Rubin, 1995, p.6). Interviews are useful for the researcher to obtain connected chains of arguments on how thoughts, subjective perceptions, meanings, attitudes, expectations, ideals, and self-image influence the behaviour of local officials and politicians (Winkler, 2006, p.122). The interviewees encompass the issues surrounding their work, their understanding of current reforms, their points of view on how transparency, participation and accountability are practiced, their perceptions of their roles, and their motivations for the work and how they deal with citizens or their colleagues when problems occur.

The second variable in this study is the level of good governance. The good governance through transparency, participation and accountability were operationalised in Chapter 2.2.

The levels and units of analysis in this study on good governance are summarised in the Table 4.

Table 4: Levels and Units of Analysis in the Study on Good Governance

Level of analysis	Unit of analysis
<i>Country</i> Vietnam and Germany	Good Governance through three dimensions from the World Governance Indicators: Voice and Accountability Government Effectiveness Control of Corruption
<i>City</i> Hanoi and Berlin	Transparency (availability and accessibility to information) Participation (voting-, non-voting participation and association) Accountability (Performance of local politicians and officials, Answerability)

Good governance is a complex concept and its measurement is not an easy undertaking. Many international organisations such as the International Transparency Organisation (ITO), the German Technical Cooperation (GTZ) and the World Bank (WB) have measured different criteria of good governance based on their own developed concepts. The best known governance measures are the six aggregated governance indicators of the World Bank which are: Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. They cover 212 countries and territories for 1996, 1998, 2000, and annually for 2002-2007 (Kaufmann et al., 2008, p.4). These indicators are based on several hundred individual variables measuring perceptions of governance, drawn from 35 separate data sources constructed by 32 different organisations from around the world. These organisations include international organisations, political and business risk-rating agencies, think-tanks, and non-governmental organisations such as Reporters Without Borders, Amnesty International, the World Bank's Country Policy and Institutional Assessment (known as CPIA) etc. ... (Kaufmann, 2003, p.4, 5).

Governance is broadly defined "the traditions and institutions by which authority in a country is exercised" (Kaufmann, Kraay, Mastruzzi, 2008, p.6): Using this definition, the World Governance Indicators measure the six dimensions of governance which are

- Voice and Accountability (VA),
- Political Stability and Absence of Violence (PV),
- Government Effectiveness (GE),

- Regulatory Quality (RQ),
- Rule of Law (RL) and
- Control of Corruption (CCI) (Kaufmann, Kraay, Mastruzzi, 2008, p.6)

Limited by its resources, this study is not aimed at developing a new set of aggregated quantitative indicators to measure the level of governance in Hanoi and Berlin.

To support the findings of this research, other sources of data related to good governance such as World Bank's, Transparency International's, and Reporters without Borders' data are also used.

This research study uses good governance data on Vietnam and Germany from the World Bank and other organisations. Since many issues associated with the good governance indicators of the World Bank and other organisations are out of scope for this research project, they will not be covered. Instead of using six dimensions of governance indicators, three dimensions of governance will be used because they largely match with the three operationalised criteria of good governance used.

- Voice and Accountability,
- Government Effectiveness and
- Control of Corruption.

The examination of good governance in Hanoi and Berlin is based on the synthesis of different sources of data. These different sources include literature, research results, reports, newspapers and the internet and can be categorized as follows:

- reports, research papers, literature on local government reform;
- surveys, reports and literature on good governance

Hanoi and Berlin are very different in their politico-administrative systems as well as their cultural dimensions. Two such contrasting cases are ideal to prove how formal and informal institutions impact on behaviours of local actors and ultimately on the level of good governance.

3.2 *Data Collection and Analysis*

Data collection from all sources was carried out in a long process over more than two years. Eighteen foreign experts who worked in Vietnam for a period of one to seven years in different fields such as administration reform or development aid responded to the questionnaire.

In order to seek arguments on the influences of institutions on good governance in the two examined cases, excluding secondary source data, primary data was gathered through qualitative interviews.

A number of qualitative interviews were carried out in Hanoi and Berlin. The interviewees were local politicians and administrators in Berlin and Hanoi. In total, forty interviews took place in the two cities. Although the number of interviews was small, they were very useful in providing an in-depth understanding of how local politicians and administrators work and how they perceive governance and what values they hold.

The use of semi-structured interviews allowed for the adjustment of questions during the interview process, based on the particular situation (Winkler, 2006, p.122). In Hanoi, twenty interviews were completed during the course of five weeks. The interviewees were members of the People's Council and the People's Committee at the city, district and ward levels. They are all key individuals who are or were chairpersons or vice chairpersons of the People's Committees and People's Councils at the three levels of local government in Hanoi. All have worked in their field for at least five years. Four out of the twenty interviewees are already in retirement. The researcher had planned to interview six local politicians and administrators at each level of the three levels of Hanoi's local government. However, it proved difficult to contact key individuals at the city level. Thus, the number of people interviewed at the city level was only three. The interviews were carried out in either offices or private homes. The length of the interviews varied from 45 minutes to three hours. Interviews usually lasted from one to two hours.

The interviewees were open, despite the fact that being interviewed by a researcher in Vietnam is relatively uncommon. At first, people often hesitated to agree to an interview, and argued "I have nothing to tell; nor will it meet your expectations". It took time to gain their trust and openness. The researcher encouraged people to talk and promised that all personal information including the names of the interviewees would not be revealed. The interviewer did not dare ask for permission to use a tape recorder, as it might have kept people from opening up. Interviews were transcribed for analysis at a later date.

The interviews with the Berlin local officials and deputies were carried out later, after the qualitative interviews in Hanoi were analysed. The interview questions were structured the same as for Hanoi, but based on the finding of the Hanoi interviews some questions were added. The interviewees in Berlin were mayors, councillors, and local deputies of the different boroughs. The process of getting appointments with the Berlin interviewees was different from that in Hanoi. Emails were sent directly to the twelve offices of the borough administrations and borough assemblies to request interviews. All districts answered or called back directly to set up the appointments. The Pankow borough was amazing in that an answer was received within a day. While 20 interviews were done within five weeks in Hanoi, it took more than three months to make appointments and to do interviews in twelve districts in Berlin. Interviews often lasted one hour, with the shortest one at 45 minutes and the longest one at two hours. All interviewees were very open and allowed the use of a tape recorder during the interviews.

The data collected from these semi-structured interviews was useful in the analysis of the influence of institutions (normative, cognitive system) on good governance.

To analyse the collected data, the research questions were used as guidelines. Thus, focus was on how good governance is practiced and how institutions influence the actions of local officials and politicians and ultimately good governance. A “coding” method was used to allow the codes to act as links between the original “raw data” (the field notes) and the researcher’s theoretical concepts (Coffey, Atkinson, 1996, p.27).

The qualitative interviews were analysed by the thematic method. As the 16 interviewees in Vietnam were promised anonymity, they are numbered as informant 1 to 16.

The notes from interviews were intensively read and re-read. The first level of coding is identified according to the themes of the research. The main two important main topics are: governance and institutions. The words of the people interviewed were quoted as often as possible. In this phase of data analysis, relevant passages of the transcripts were highlighted. The passages associated with certain codes or categories were captured and sorted.

In order to group interviewees’ responses into categories of similar ideas, codes relate to specific theoretical concepts. The codes have been categorized in accordance with the

operationalisation concept of good governance and the three systems of institutions. They cover the subjective interpretation of interviewees' responses on the practice of good governance (transparency, participation and accountability) at the local level, the interviewees' roles and responsibilities; actions within the framework of governance mechanics (formal institutions) and norms and values in society (informal institutions). Relationships between the codes to develop a system of codes with certain values, norms and perceptions were sought. The importance of certain values, norms and perceptions on the shaping of actions of local officials and politicians were identified. Relevant statements made by the interviewees are directly addressed in detail. And finally the data was analysed by looking for the commonality and the differences between the data to find the level of good governance in Hanoi and Berlin along with the common thinking and values of the interviewee.

Some main values and norms important to the Hanoi local officials and deputies are identified as family, tradition, harmony, and achievement, while in Berlin the important values and norms identified are the rule of law, plurality and equality. These findings will be applied to the analytical framework to explain how institutions influence good governance in Hanoi and Berlin.

3.3. *Limitation*

No research has unlimited available resources to reach its aims. Some limitations lie in the research methods and data gathering used. Data collection plays a crucial role in guaranteeing the quality of the research. It was beyond the scope and resources of this research project to present a sophisticated statistical model, or to undertake a survey with a large number of random samples or the entire populations of Hanoi and Berlin to attain quantitative analysis of norms, values and cognitions that the people in these two cities hold. Thus, the normative, regulative and cognitive pillars of institutions in Hanoi and Berlin are synthesised from previous research, Hofstede's cultural dimensions. The primary data on values and norms in Vietnam was collected mainly from the completed questionnaires of foreign experts via email and the interviews of local officials and deputies.

The small number of questionnaire respondents, and numbers of interviews in Hanoi and Berlin may be considered insufficient to provide a valid base for analysis and recommendation. However, these two sources of information provide a real opportunity for

a better view and insight into the thoughts of local officials in Hanoi and Berlin. In the case of Hanoi, the 20 interviews actually are very valuable due to the honest opinions and insight stories from the interviewees, which they would hardly express in any official survey. It is also the reason most of the interviewees refused to be recorded or to reveal their names.

The challenge of gathering sufficient and reliable data is recognized. Objective data, based on quantifiable inputs or outputs, is desirable. Objective data, however, is often not available in Hanoi, or more widely in Vietnam. Therefore, subjective data collected from semi-structured interviews in Hanoi is critical as well as valuable. The primary data of the study is subjective data. Subjective data relies on the perceptions of people.¹ Subjective data provides information when objective data may not be relevant or available, despite the possibly ambiguous perceptions of citizens or experts (UN, 2007, p.13).

The qualitative research through the semi-structured interview in this study provides an observation from within; in real-life setting, credibility of local officials and politicians in Hanoi and Berlin. But it faces problem of normative, subjective view of the interviewees and interviewer.

The case study of Hanoi and Berlin will be illustrated in the next chapter.

¹ Subjective data is gathered through polls or surveys of residents, national or international experts. The gathering methods can be discussion groups or interviews, or conducted through mail or the internet. (UN, 2007, p.13)

4 Case Study

4.1 Historical Background

Throughout history each country has had different regimes governing in many different ways. An existing governance mechanism in a country can be explained through its history. History helps to explain why a country at any given time has chosen a particular solution rather than another. The institutional set-up of a country is influenced by its history. The history of a country plays a critical role in shaping its current formal institutional set up (political, administrative, social and economic system (Peters, 1999. p.9, 10). In order to understand the contemporary political system of a country and individual behaviour it is necessary to understand that country's history.

4.1.1 Hanoi

Located in the centre of the Red River Delta and at the bend in the Red River, Hanoi was the first capital of Đại Việt (the Great Viet, later named Vietnam). After 1000 years of Chinese rule, it was named Thăng Long (Ascending Dragon) by the first ruler of the Lý Dynasty (Triều Lý) - Lý Thái Tổ in 1010. From as early as 1010 until 1802, what is now Hanoi was known as the political centre of an independent Vietnam but under a few different names. In 1802, the Nguyễn Dynasty (Triều Nguyễn) moved the capital to Hue, renamed Thăng Long as Hà Nội (translated as a city around the bend of the river) in 1831. And from 1887 to 1945, Hanoi served as the capital of French Indochina (Logan, 2001)

After the fall of France to the Nazis in June 1940, Japan formally occupied French sovereign lands in Indochina. The defeat of the Japanese in World War II left a power vacuum. Ho Chi Minh declared the independence of Vietnam in September 1945 (02.09.1945) in Hanoi. However, the French returned a few months later. Only after nine years of armed struggle, did France, in 1954, finally relinquish its colonies in Indochina. The 1954 Geneva Conference divided Vietnam into two parts: the north under Ho Chi Minh's communist government - the Democratic Republic of Vietnam, and the south under Ngo Dinh Diem's regime - the Republic of Vietnam, supported by the United States. From 1954 to 1976, Hanoi was the capital of North Vietnam and it became the capital of the Socialist Republic of Vietnam in 1976 after reunification (Karnow, 1997).

Since 1954, the North of Vietnam and after 1976 the whole unified country has operated as a socialist state with a centrally-planned economy concentrated on the development of

heavy industries by extracting resources from collective agricultures. This economic model has led to a deep social-economic crisis. In response to the crisis, in 1986, the Communist Party of Vietnam (CPV) admitted to limitations in central planning and has since focused on economic reform at the micro and macro levels. After initiating the “Renovation” or “Doimoi” policy in 1986, Vietnam moved steadily towards a market economy with a socialist orientation. This transition began in 1990 coinciding with the collapse of the Berlin Wall. From 1991 to 2001, Hanoi achieved impressive economic development. GDP growth in Hanoi averaged 11.3% for a 13-year period. GDP/person reached US\$1.35 in 2003, which is three times the average of the whole country (Hanoi, 2004, p.5). Despite these very impressive outcomes of its reformation policy, Hanoi still faces severe problems today. These include a widening gap between the rich and the poor, and corruption resulting in ineffective bureaucracy.

Since 1954 Hanoi has been under the rule of the Communist party. Hanoi has implemented several territorial reforms since 1954. Its size and population have greatly expanded. In 1961 Hanoi covered an area of 586.13 square km. The four inner districts Ba Đình, Hoàn Kiếm, Đống Đa, Hai Bà Trưng covered 37 square km and the suburbs consisting of the four districts of Gia Lâm, Đông Anh, Thanh Trì, and Từ Liêm, covered 549 square km . The population of 913,428 inhabitants included 436,820 inner city inhabitants (Shubert, 2000). The territory expanded once again to include seven rural districts of two other provinces in 1978. At that time the population was 2,500,000 and the expanded suburbs included up to 1,258,000 inhabitants. After five years of the “Doimoi” policy, Hanoi returned most of the suburbs to their original provinces in 1991 (Shubert, 2000).

During 1994 to 2004 four more districts were established in Hanoi through the reorganisation of some communes of the suburbs and some wards in the inner city (Hanoi, 2004, p.3). (In 1997: Thanh Xuan and Cau Giay; in 2003: Hoang Mai and Long Bien)

Hanoi has always been organised into urban and rural areas. Until 2004, Hanoi had five rural districts and nine urban districts, four of which were called inner urban districts, 125 urban quarters or wards, 5 towns and 99 communes (General Statistics Office, 2004) (See Appendix 1). Hanoi is one of the two biggest metropolises in Vietnam with an estimated population of 3,058,000 (in 2004). In 2007, the city had an area of 927 square km, of which

43 square km was the urbanized core of the city with 1.1 million inhabitants (General Statistics Office, 2004).

Since 1986, the city has been going through the transition to a market economy with the socialist orientation.

4.1.2 Berlin

Berlin is located at the junction of the rivers Spree and Havel in eastern Germany approximately 70 kilometres west of the Polish border. It has a long history, but it is rather young by European standards. Berlin's origin dates from the late 12th and early 13th centuries. Berlin became the capital of the Kingdom of Prussia in 1701 and of the German Empire in 1871. It remained the capital of Germany through the periods of the Weimar Republic and the Third Reich until 1945 (Large, 2000).

World War II ended on May 8, 1945 with Germany's unconditional surrender to the victorious allied powers, led by the United States, Great Britain, France and the Soviet Union. The division of the occupied zones had already been agreed to in 1944 by the allies. Berlin received a special status: The town was to be administered as a common occupied zone ("special Berlin area") by all four victorious powers together and equally. For this purpose, Berlin was divided into four sectors. The United States took control of the southern part of the city, France became responsible for the northern part, Great Britain governed the west and the Soviet Union controlled the eastern section (Stetter, Wiesch, 2005, p.231, 232).

The German Democratic Republic (East Germany) claimed East Berlin as its capital, with West Berlin becoming a West German enclave surrounded by East Germany. Due to the historical, geo-political and symbolic significance of Berlin, both East and West Berlin attracted high investments and subsidies from their respective governments. During the years of division, two completely autonomous administrative bodies developed based on the ideology of the communist Soviet Union in the East and on the Western liberal democracies in the West (Stetter, Wiesch, 2005, p.231, 235). In 1961 with the approval of the Soviet Union, the borders around West Berlin were closed by the construction of the Berlin Wall. After more than 40 years of division, the Berlin Wall was torn down in 1989, Germany was united and in 1990 Berlin once again became a united city.

On the 2nd of December, 1990, Berliners elected, for the first time, representatives to the Bundestag (before, West Berlin was represented only by indirectly-elected representatives with limited rights to vote in the Bundestag). On that same day, a unified Berlin elected a House of Representatives that chose the first senate for a unified Berlin in January, 1991. Following German reunification on the 3rd of October, 1990, Berlin became the capital of the Federal Republic of Germany. Since reunification, Berlin has remained a city state alongside the current sixteen states of Germany (Large, 2000).

Berlin developed from a territorial reform in 1920 that united eight towns, 59 rural communities and 27 good districts to become “Greater Berlin”. Before Berlin's 2001 territorial reform, there were 23 boroughs (“Bezirke” in German, also sometimes called “districts” in English) (Röber, Schröter, 2004, p.18). Effective January 1, 2001, the number of boroughs was reduced from 23 to 12 (See Appendix 2: Berlin’s Boroughs). There are now boroughs comprising both former Eastern and Western parts of the city. The 12 Berlin boroughs have populations averaging 300,000 each, which makes Berlin the country's largest city in area and population, and among the largest municipalities of any country in the world. It has a population of about 3.5 million and extends over 889 square kilometres (Berlin Statistical Office 2005).

Each borough is subdivided into a number of localities (“Stadtteil” in German). The city of Berlin consists of 96 such localities. The localities often consist of a number of city neighbourhoods that represent traditional and small residential areas. The localities do not have their own governmental bodies, but are recognized by the city and the boroughs for planning and statistical purposes.

4.2 Institutional Arrangement

4.2.1 Hofstede’s Cultural Dimensions

Informal institutions imply norms, values and conceptions, which create the “software of the mind” and are determined by normative and cognitive systems. The term “software of the mind” or “mental software” is used by Hofstede to imply cultures (Hofstede, 2005).

Hofstede has defined five cultural dimensions which are Uncertainty Avoidance, Power Distance, Masculinity-Femininity, Individualism-Collectivism, Long-Term and Short-term Orientation.

The dimension Masculinity-Femininity refers to the role of gender in the culture. The "masculine" society tends to have very distinct expectations of male and female roles in society. Both German and Vietnamese societies are Masculinity societies.

The existence of these dimensions in the two cities will be taken into consideration. Since both societies appear to be “masculine” in orientation, but with little effect on good governance, greater emphasis will be given to those of dimensions which are more pertinent to the issues being investigated.

According to Hofstede’s cultural dimensions, Vietnam is a country with a very high power distance index (70), a low individualism index (20), a low uncertainty avoidance index (30) and a very high long-term orientation index (80). According to the values of Hofstede’s five cultural dimensions, Germany is the complete opposite of Vietnam. Germany is a country with a very low power distance index (36) a high individualism index (20), a high uncertainty avoidance index (30) and a short long-term orientation index (80) (Hofstede cultural dimensions, Vietnam, Germany).

The differences in these soft institutions between the two cities can be seen clearly in the diagram Hofstede’s cultural dimensions below.

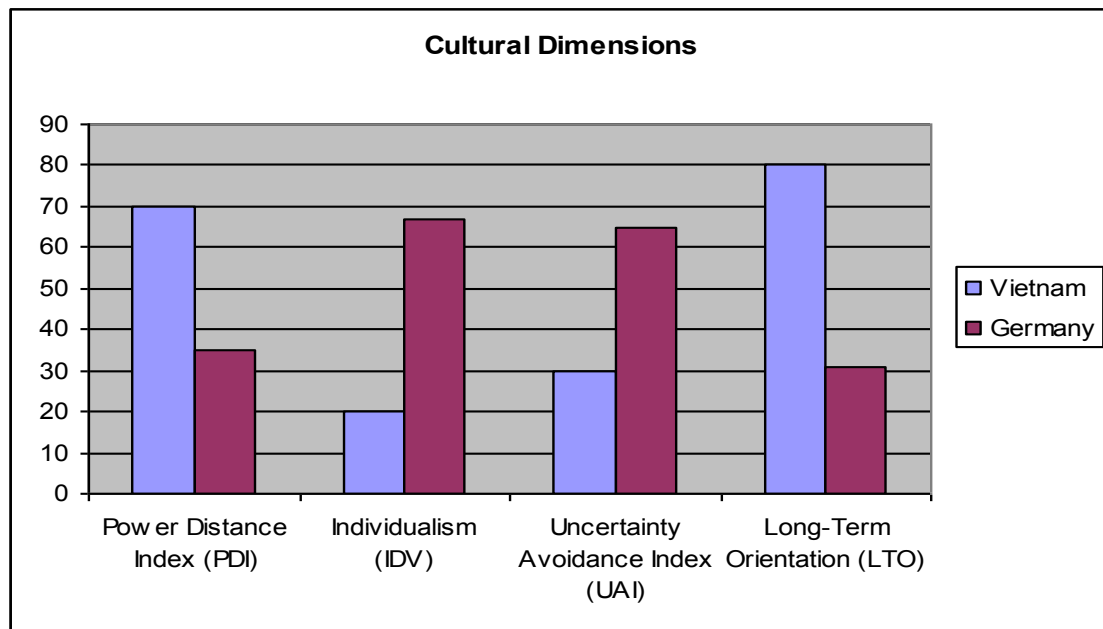


Diagram 3: Hofstede Cultural Dimensions – Germany and Vietnam

A high power distance index means that, in Vietnam, the less powerful members expect power to be distributed unequally and accept that it is.

The low individualism index means that from birth on Vietnamese people are integrated into strong, cohesive in-groups and extended families (with uncles, aunts and grandparents). The family continues to protect them in exchange for unquestioning loyalty and support (Hofstede, 2005).

The low uncertainty avoidance index means that Vietnamese society is tolerant of uncertainty and ambiguity. Vietnamese people can deal with unusual, surprising and unknown situations (ibid.).

The high long term orientation index illustrates how the Vietnamese society is heavily influenced by Confucianism, in which people are persistent, respect hierarchical relationships, thrift and have a sense of shame (Hofstede, 2005).

The analysis of questionnaires answered by foreign experts who worked in Vietnam reflects the scores identified by Hofstede. The most important values to the Vietnamese, based on the observations of foreign experts, are family (100%), belonging or being connected (56%), authority (50%), prosperity (getting richer) (38%) and tradition (31%).

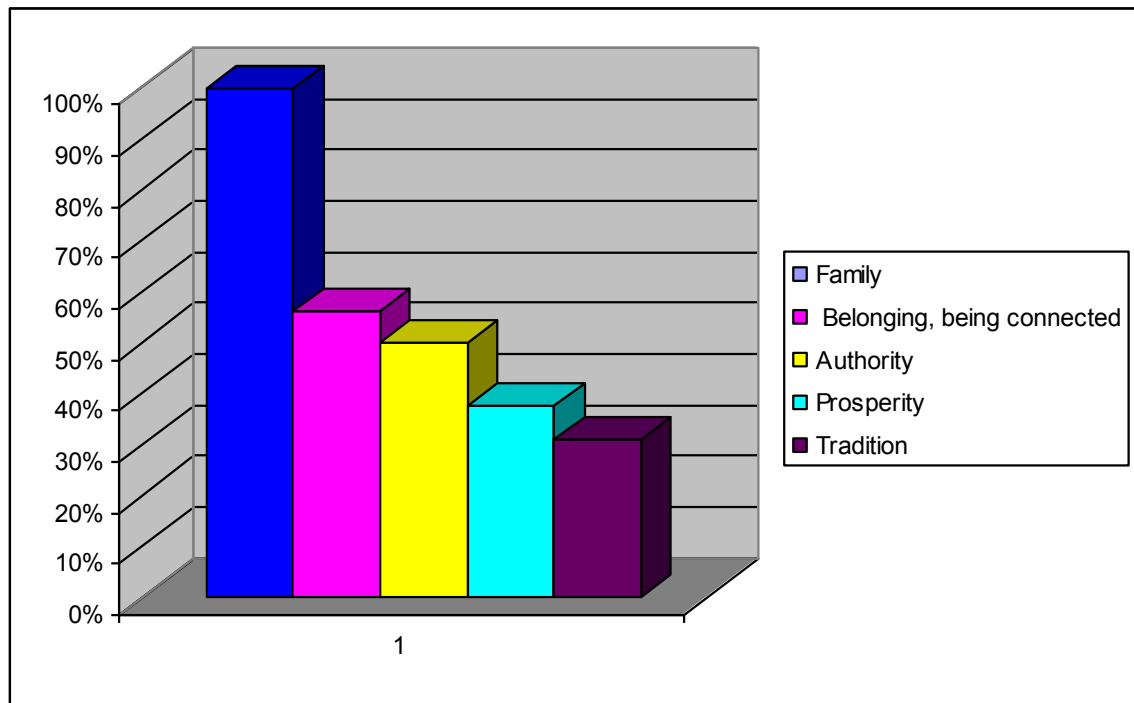


Diagram 4: The Five Most Important Values for Vietnamese

(Source: Own diagram based on the answers to the Questionnaire administered to Foreign Experts working in Vietnam)

According to the observations of the foreign experts working in Vietnam, the Vietnamese show little value for individualism. More than 80 percent of the foreign experts working in Vietnam who were surveyed agree (from somewhat agreed to agreed) that the Vietnamese value collective thinking rather than individual thinking 90 percent agree (from somewhat agreed to agreed) that “private life is invaded by institutions and organisations to which one belongs”; and “people behave in accordance with community and are afraid of being different”. 100 percent agree (from somewhat agreed to agreed) “people have been taught to be compliant with teachers and superiors”.

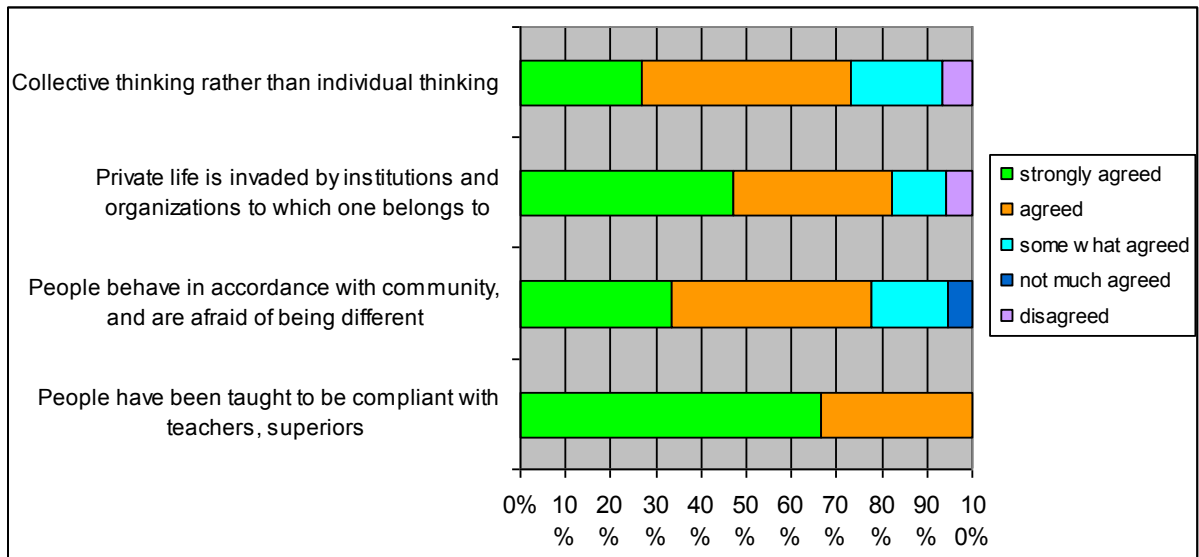


Diagram 5: Low Value of Individual

(Source: Own diagram based on the answers to the Questionnaire administered to Foreign Experts working in Vietnam)

According to Hofstede, Germany is defined as an individual society and Vietnam as a collective society.

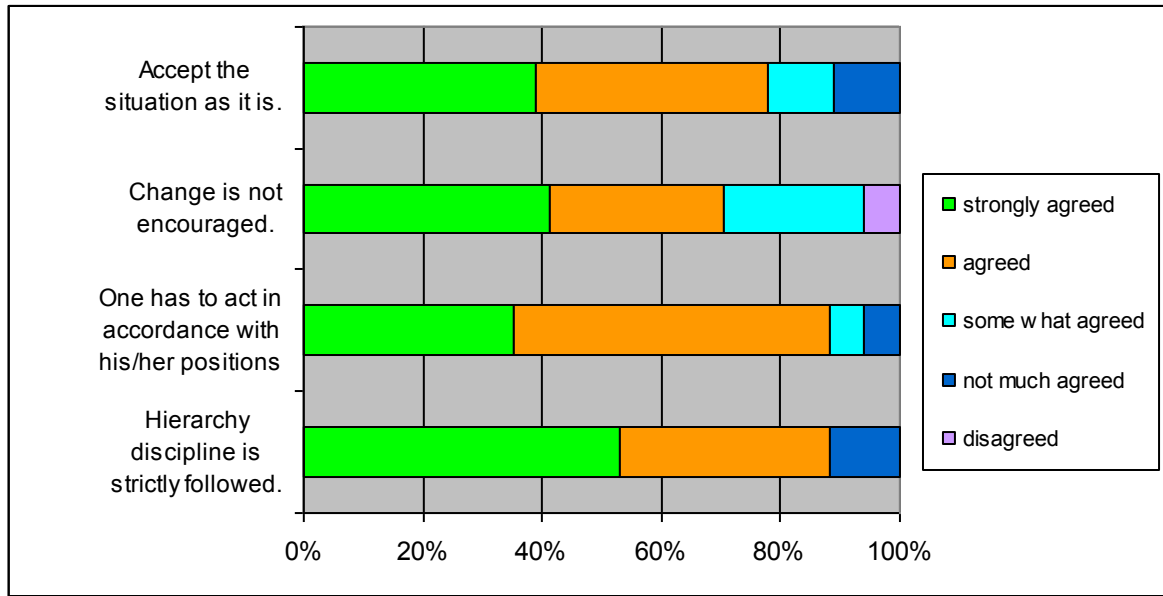


Diagram 6: Belief in an Order of Inequality

(Source: Own diagram based on the answers to the Questionnaire administered to Foreign Experts working in Vietnam)

The answers of the foreign experts also reveal the high distance of power in Vietnamese society. More than 80 percent of the respondents agree (from somewhat agreed to agreed) that Vietnamese “accept the situation as it is”, “change is not encouraged” and almost 90 percent agree (from somewhat agreed to agreed) that “one has to act in accordance with his/her position” and “Hierarchy discipline is strictly followed”.

16 interviewees who were local deputies and officials in Hanoi also indicated in interview that family, being connected and tradition are important values in their society.

In contrast to Vietnam, a low power distance index suggests that German society believes in equality for all citizens. The high individualism index means that individualism is appreciated in Germany. In Germany, personal achievement and individual rights are stressed. Germans expect individuals to fulfil their own needs. The low uncertainty avoidance means that Germans are not too keen on uncertainty. German society relies on rules, laws and regulations. The low long term orientation index shows that the German society is not influenced by Confucianism (Hofstede Cultural Dimensions, Germany)

The general cultural pictures of Vietnam and Germany have been described in relation to Hofstede’s cultural dimensions. These dimensions can also apply to Hanoi and Berlin as cities.

In order to have detailed pictures of the normative and cultural cognitive pillars in Hanoi and Berlin, important values, norms and practices in the two countries will be elaborated in the next part.

4.2.2 Normative and Cultural-Cognitive Systems of Vietnam

Vietnamese traditions have been influenced through time by different religions and ideologies. The values of family, hierarchy, gratitude, virtue and tolerance have deep roots in the “three religions” (tam giao) of Buddhism, Taoism and Confucianism. The meaning of these values changes over time and reflects the changes in society.

In Hanoi, society is undergoing radical changes from which new values are arising nevertheless, the old norms, values and practices still exist. Vietnam is still a Confucian society. Confucianism slowly influenced Vietnam after its independence from China in 938 AD. The emergence of Confucianism was marked by the establishment of Van Mieu (the Temple of Literature) in 1070, a temple of learning dedicated to Confucius. Confucianism took the place of Buddhism and became a cult in Vietnam during the 15th century under the Le Dynasty (1428 -1788) (Nguyen Khac Vien, 1998). Confucianism is “The Teachings of Confucius” and consists of the Chinese ethical and philosophical system originally developed from the teachings of Confucius (551 BCE – 479 BCE). Confucianism is a complex system of thoughts on ethics and politics with different periods of development throughout its long history (Nguyen Khac Vien, 1998). The main teaching of Confucius is found primarily in the Analects of Confucius (Lunyu – Luan ngu) and is not based on consequence reasoning, but on rhetoric such as comparison and aphorism. The key principles of Confucian teaching are:

- The stability of society is based on unequal relationships between people.
- The family is the prototype of all social organisations.
- Human behaviour toward others consists of not treating others as one would not like to be treated oneself.
- Virtue - everything should be done with moderation (Hofstede, 2005, p.209).

The Confucian political philosophy is based on virtue and the rectification of names.

Confucianism was easily accepted in an agricultural country where people lived in villages with an agricultural household income like Vietnam. It was suitable for the way of life in Vietnamese villages where people lived in closed and small circles among family,

relatives, and neighbourhoods. Furthermore, the goal of Confucianism is to create a hierarchical society with the right order for family and society. This order brings about harmony in the family, in villages and in the country. These wishes were close to the desires of Vietnamese farmers at those times (Trần Đình Hượu, 1996). The main principles of Confucius' philosophy have been accepted by and adapted to Vietnamese society. The spirit of Confucianism has been adapted in different periods of social development.

Aside from the influence of Confucianism, traditions and practices stemming from village life still affect current norms and values in Vietnamese society.

4.2.2.1. Other Important Traditions

Other traditions and practices appreciated by the Vietnamese people are to conform to compassion, to take harmony as precious and to help each other (those better off help those who are poorer).

The principles of Confucianism, Buddhism and Taoism have made the Vietnamese believe that hierarchy in society is natural and decided by the gods. Most of Vietnamese believe in the blessings and virtues of ancestors. The main principles in relationships with others are “harmony”, “concession” and “tolerance” (Nguyễn Kiến Giang, 1995). “Take harmony as precious” (dĩ hòa vi quý) gives priority to harmony over individual rights. There is an attempt to maintain compromise so that there is no absolute loser or winner. “Nine makes ten” (Chín bo lam mười) is a saying that implies that people should compromise, take mistakes easy to be tolerant and to avoid conflict.

One of the most important behavioural principles in Vietnam is “conform to compassion”. “Conform to reason” is important too and the optimal behaviour should be “being both reasonable and compassionate” (có lý có tình). However, in a situation when one has to choose between “reason and compassion”, the individual often makes a decision based on compassion (Lê Thị Huệ, 2003).

Most Vietnamese grew up in villages. The village behind its thicket of bamboo binds its inhabitants with an identity. A Vietnamese proverb states “each village strikes its own drum and worships its own deity” (Trống làng nào làng ấy đánh, thánh làng nào làng ấy thờ)

(Nguyễn Thế Anh, 2003, p.102). Since villagers drink from the same well, they should identify with the interest and sentiments of people living around the well. One needs to consider the interests and feelings of neighbours before deciding on a particular action. Living in villages, people appreciate good neighbourliness, known as “compassion among neighbours” (tình cảm láng giềng) or “sentimentality around the village well” (Koh, 2004, p.221). Your neighbours are there to help when you need at any time. They help you, and you help them back or the other way round. “Compassion among neighbours” has deep roots in Vietnamese village tradition stretching back more than a thousand years.

Every village is a unique, distinct, compact and isolated community with its specific charter (hương ước), and its community house (đình). The hương ước contains a mixture of administrative rules, customary rules and religious guidelines to regulate interactions and relationships within each village’s society. Some people refer to it as the tradition of local self-government in Vietnam (Nguyễn Thế Anh, 2003).

The existence of these bylaws led to the famous adage: “the customs of the village have precedence over the laws of the king” (Phép vua thua lệ làng) (Nguyễn Thế Anh, 2003, p.102). The village is often said to have been independent of central authority as “a state within a state” (Nguyễn Thế Anh, 2003, p.102). Local Vietnamese governments have a long tradition of non-compliance with the central government.

The practice of maintaining harmony i.e. acting according to compassion rather than reason, and the non-compliance with central state laws in Vietnamese society was highly valued in the past and still is today.

Through a successful revolution under the leadership of the Communist Party, Vietnam won its independence from the French colonial powers. Since that time, Vietnamese society has undergone extensive changes. Under the new regime of the Communist party, Confucianism and many traditions are seen as the residuals of feudalism, which should be stamped out in the socialist republic. However, the spirit of Confucianism can be found in the principles of the Communist Party and the model of a centrally-planned economy.

4.2.2.2. Values after the Revolution

Under the leadership of the revolutionary Ho Chi Minh, following the military defeat of Japan and the fall of its puppet empire of Vietnam, Ho Chi Minh proclaimed national

independence on 2 September 1945. Under the Geneva Accords of 1954, the colonial administration ended and French Indochina was dissolved, North Vietnam followed Ho Chi Minh's Democratic Republic of Vietnam with the Marxist – Leninist ideology. After the Fall of Saigon on 30 April 1975 North and South Vietnam merged to form the Socialist Republic of Vietnam on 2 July 1976.

The Communist Party claims its legitimacy not only on the grounds of successful leadership in achieving the independence and unity of the country, but also on the grounds of its supposed moral and intellectual leadership. The Five Constants of the Confucian ethic are defined as five virtues: Humaneness (Ren), Righteousness or Justice (Yi), Propriety or Etiquette (Li), Knowledge (Zhi) and Integrity (Xi). The Party actually has the same political principle as Confucianism that is based on virtue. The five revolutionary ethics (đạo đức cách mạng) set by Ho Chi Minh are: Cần, Kiệm, Liêm, Chính, Chí Công Vô tư which might be translated as follows: Industry, Discipline, Thrift, Honesty, Righteousness and Selflessness. It means that cadres are servants of the people and they should use time and public resource economically without waste and fraud (Kiệm); not make use of public power for private gain (Liêm); do the right thing and have a sense of duty (Chính) and place the rights and profits of the others higher than oneself (Chí Công Vô Tư) (Hồ Chí Minh Ideology) (Nguyễn Hoàng Long, 2004).

The revolutionary ethics emphasize the endurance of suffering and the rejection of personal preoccupation and the relinquishing of aspiration to wealth (Vasavakul, 1995, p.264). To maintain the ethics of party members, criticism and self-criticism is periodically practiced. Criticism and self-criticism among party members are still the only means to improve the morality of party members. Acting on revolutionary ethics, party members are obliged to be faithful to the Party's guidelines and sincerely implement self-criticism. Party members should follow the five revolutionary ethics that are to live a modest life, to follow the Party policies, to practice criticism and self-criticism and to set a good example to others. It is similar to the Confucian principle that the Mandarins should set a good example to convince people to follow their behaviour. According to Confucian principles, society should follow the same model as the family so that the relationship between the state and the people is the same as the relationship between a father and son (a king or mandarin is to be understood as father to the people) (Hofstede, 2005, p.209).

The main approach to successfully governing a country is based on “Rectification of Names/Terms” (zhèngmíng - chỉnh danh). A well-organised and harmonious society is

achieved with “the ruler being a ruler, the minister being a minister, the father being a father, and the son being a son” (Lunyu 12.11 in Riegel 2013).

The Party has adopted the Confucian political philosophy which is based on virtue. However, the Party encouraged people to adopt new values associated with the love for labour, collective ownership, patriotism and socialism.

It is very crucial to mention that when the Communist Party officially started its leadership in the North of Vietnam, religions did not get respect like before. Religions under the communist authorities are seen as “the opiate of the people”. During the Land Reform in the North of Vietnam many pagodas and temples were destroyed.

4.2.2.3. Practices and Values in the Centrally-Planned Economy

Since 1954, Hanoi has followed an “all-state” system in which the state has controlled the economy, society and ideology (Beau, 1992, p.93). Within this system no differentiation between administrative and economic functions of the government is possible. The state and collective sectors, being heavily subsidized, played key roles in the national economy. The private sector was the target of nationalization and collectivization (Vu Tuan Anh, 1994, p.11). The state intervened, directly and without restriction, in economic activities. The national economy was managed through administrative orders such as state-planning, the administrative allocation of resources and the excessive use of price controls and subsidies (Fforde and Vylder, 1996, p. 16). A new socialist socio-economic structure was established that consisted of two economic elements: state and collective economies. There were two main classes within the state and collective economies: workers and collective farmers. There is a “socialist intellectual class” which, in reality, is more official than intellectual, because this intellectual class is not supposed to speak the truth based on their own opinions and observations. It is expected that this class will use their knowledge to convince the general public of the correctness of Party ideology and decision. This “socialist intellectual class” is comprised of teachers, professors, doctors, researchers, engineers... Most of the population directly or indirectly became public employees under the control of the state.

Under a subsidized system, basic needs of the population were provided for by the state via state procurement and the supply of goods. People in urban areas with a registered residence received ration tickets and coupons for fixed quantities of the essential

consumer goods such as rice, sugar, foodstuffs (meat, fish), fuel, clothing, milk and other necessities. The provision of essential food and necessities between the cadres and the people was different. 70 percent of the compensation to the cadres was in coupons and 30 percent was salary. Also, indirect payments in the form of accommodation, transportation, and utilities such as water and electricity and healthcare were based on the rank of a cadre. For instance, a person who does not work in public organisations, called people – “nhan dan” received 13kg rice/month/person; a worker 17kg rice/month, 0.5kg meat/month. People often got only 3kg rice and other cereals such as cassava and potatoes. The essential commodities such as soap and clothes were often not provided (Xuan Trung, Quang Thien, 2005). Among cadres, there was a hierarchical ladder. According to the position of a cadre, s/he was regulated to have a certain amount of basic needs fulfilled via ration tickets for foodstuffs (rice, meat...), clothing and housing. Cadres and “state people” enjoyed tangible rewards and intangible benefits such as social prestige and privileges. Nevertheless, only high-ranking party members and government officials enjoyed these privileges; most of the cadres had a hard life and they struggled for a living. These essential commodities provided by the government were at a very low price; they were almost “given away” for free. Every little thing in one’s life was provided for by the state. It was often very minimal, hardly enough to live a normal life. In a deficit economy, poverty is distributed among most of the population. No one died from hunger, and if it did occur, it happened only occasionally, but nearly everyone did not have enough food and suffered from malnutrition (Nguyễn Kiến Giang, 1995). During those times, eating sometimes became everything to all people. Instead of “I think and therefore I am”, “I eat, and therefore I am” best reflected reality (Vương Trí Nhàn, 2006). This created an absolute dependence on the government. People could not live without the state, and they could only survive when all of their activities were closely aligned with the collective activities organised by the state in terms of material and spiritual life.

People gave up values such as honesty, generosity and courage. They would do anything to survive (Vương Trí Nhàn, 2006). One of the consequences of a centrally-subsidized system is the death of the independent individual. People in the “begging-granting” chain were tolerant of authoritarianism and the domineering behaviour of public officials in order to get the necessities of life. Accordingly, public officials believed that they had a strong authority over people, as they were the “givers”. The centrally-planned economy widened the distance between the cadres and the common people and between the high-ranking

cadres and lower cadres. People became cowardly and lost their personal identities. They were afraid of everything, worrying mostly about the basic needs of survival. Therefore, they found trivial happiness in such simple acts as the ability to buy high quality rice or a tire for a bicycle.

The centrally-planned and subsidized system made people lie to survive, or at least quietly accept dishonesty as the way of life. Public officials collectively told lies in their reports and performance in order to accomplish the objectives in social and economic fields established by the central government. The fulfilment of objectives was compulsory. There were incentives for the lower levels to submit false reports to the upper level. As lower levels were dependent on the higher authorities for the provision of resources, lower level public organisations often over-reported their budget requirements to obtain more resources. When objectives were set and resources were allocated, lower levels falsified their reports to fulfil plans and to please the upper level. Then, the upper level, based on the information from lower levels, set new objectives that were unrealistic and irrational. When those objectives went beyond their capability, lower level public authorities had no alternative but to lie. This practice created a continuous and systematic pattern of lying.

All public agencies had to try their best including falsifying reports in order to please the higher officials and to derive some benefit for the whole organisation. It was obvious that these practices were known by the public but no one was able to do anything to change the situation. Public officials did not report this because their life was completely dependent on their positions – especially on their immediate superiors for salary, basic needs, traveling and promotions. There were no alternatives for public officials to satisfy their basic needs if they did not work for the state. These collective lies among public officers in order to create a good reputation for their offices and then benefits for all their public officials and their families was one of the effective ways to help officials survive in the all-state system. No one liked it, but there were no alternatives.

The bureaucratic subsidized economy killed good values and, to some extent, made scoundrels of people (Nguyễn Kiến Giang, 1995). It was not just the lying in reports but even worse: lying had become a “moral philosophy” in society. “People lie to each other and lie to themselves to survive and to be promoted” (Phan Đình Diệu, 2006). After more than 30 years of living under a centrally-planned economy, codes of behaviour in society

were changed in a negative way. In this environment, the individual did not exist; there were only collective groups. When everything from material life to spiritual life is provided by the state, people tend to comply with state policy or at least pretend to do so. In order to maintain a personality or to avoid the overwhelming rule of the party state, people tried to keep a closed circle of family and friends. In a small trusting network, people helped each other to survive and to obtain scarce goods and services. Within this network, people could express what they thought. “Says that but does not mean that” (noi vay ma khong phai vay). It implies that what people say in public is not necessarily what they really think. It also indicates how people understand public policies i. e. what the state or the Party says is not trustworthy. It is very common in daily life, for people to try to separate their private life from their public appearance (Meyer, 2003, p.173). In this situation, systematic lying in public organisations and a “two-faced” behaviour becomes the norm. People tell lies to survive.

The new values associated with the love of labour, collective ownership, patriotism and socialism encouraged by the Party seemed to be rather abstract to most Vietnamese people who had just come out of two continuous wars and had to struggle for a living. The centrally-planned economy brought about different negative habits and thoughts such as being passive, keeping quiet to avoid difficulties, being more tolerant of cheating and telling lies to survive.

At the beginning of the eighties, the living standards of the Vietnamese people were extremely low. The Party was forced to start the “Doimoi” policy. Vietnamese society underwent profound changes again. Many new values appeared and many old values were adjusted to the new situation.

4.2.2.4. Norms and Values in the Transition to a Market Economy

In the transition to a market economy, less controlled by the state, the Communist party slowly and cautiously accepted the role of markets and reduced direct intervention of the state in the state owned enterprises (SOE) and left more room for people to manoeuvre.

By the end of the decade, many cadres already tried to take advantage of the weaknesses of state policies (or break the rules of the state – breaking fence (xé rào)) to get benefits for the whole organisation and/ or sometimes for themselves. In those instances, people were tolerant of public officials who dared to take bribes in order to shorten the complicated

administrative procedures of the state. Money and gifts were used to “grease” the system. Life slowly improved especially in material terms. If in the planned economy, people had to accept similarities such as poverty across the whole society, the transition to a market economy created higher levels of differentiation within society. The struggle to get essential commodities for a living became less difficult. People started to have higher expectations e.g. wished for a house, a “Dream” (a Japanese motorbike) at the end of the 90s, and now in the twenty-first century a car. After many years of material deprivation, obviously material attraction is powerful enough to make people become money worshippers. Earning more money and being rich is seen as success without questioning legal or moral aspects of “business” undertakings. Doing one’s best for the family, having a better life and getting richer has become more and more important. In the recent Vietnamese society, the rich are being admired, and how they become rich is not in question (Vương Trí Nhàn, 2012). Prosperity is one of the most significant new values.

After “Doi moi” policy, restrictions on religion have been eased, and religious freedom has been recognized in the nation’s constitution. The controls on religious expression by placing religion under state control still exist. On the transition to a market economy, different kinds of practices relating to worship and religions have gained increasing significance. The fact, that many Vietnamese go to pagoda or temple to worship whatever they will, does not mean that the number of people practicing Buddhist values and teaching has increased. Many of people who go to pagodas or temples not to worship but to do business in the sense of giving gifts and in exchange receiving what they wish (to earn more money, to be promoted, to pass the exams...). Religions in the transition to market economy for the majority in the society seem to be a good way that helps to achieve what they wish (earn more money, pass an exam...) rather than to practice a faith.

All in all, a state of mind and a set of expectations which had been generated by the centrally-planned economy during the transition to a market economy in Vietnam can be described in terms other authors have used to describe other countries such as a combination of apathy, depletion of community bonds, passivity, unwillingness to accept responsibility, atomization, lack of respect for formal rules, “short-termism”, and a pervasive “grab and run attitude” toward economic gain (Neuber, 1993, p.521). Furthermore, the expectation is that success must be due to patronage, corruption, and cooperation, and not effort (Offe, 1996, p.218).

In the preceding sections, efforts have been made to explain in detail the mind-set of governance actors in Hanoi.

In order to have deeper understanding of Hofstede's cultural dimensions in Berlin the next part will explain important values and traditions which have been built throughout German history.

According to the Hofstede's cultural dimension, German society is characterized by low of power distance, individualism, high uncertainty avoidance and short term orientation. In the following section, the important norms and values related to these cultural dimensions will be explained.

4.2.3 Normative and Cultural-Cognitive Systems of Germany

Christianity is deeply rooted in Germany, Roman Catholicism having been the sole established religion in the country until the 15th century. In 1517 Martin Luther challenged the Catholic Church and as "reformer", he started to object to ("to protest" against) the doctrines, rituals, and ecclesiastical structure of the Roman Catholic Church. The Protestant Reformation led to the creation of new national Protestant churches. The Reformation changed Christianity in Europe and Germany. Protestantism is concentrated in the north and east and Roman Catholicism is concentrated in the south and west (Religionswissenschaftlicher Medien und Informationsdienst, 2009). Christianity is the largest religion in Germany in which the Roman Catholic Church has a membership of 26.2 million and the Evangelical Church, a confederation of the Lutheran, Uniate, and Reformed Protestant Churches, has 26.9 million members (International Religious Freedom Report 2007). Together, these two churches account for nearly two-thirds of the population, even though many Germans do not take an active part in church life. Many existing important values and norms in society are rooted in this religion.

4.2.3.1 Subsidiarity

Subsidiarity is a concept developed by the Roman Catholic Church. The Roman Catholics, who created and articulated the concept, assumed that human beings are social in nature, and need to be dynamically-connected to their society as a whole. The most often quoted expanded definition of subsidiarity is from Pope Pius XI who wrote the *Quadragesimo Anno* in 1931: "...just like the powers (people) are capable of exercising on their own initiative and by their own means must not be taken away from people and transferred to the community, so it would also be an injustice and would disturb the social order to take

from the lower groups and give to a wider community of a higher rank, the functions which they are capable of fulfilling themselves. The natural purpose of any social intervention is "...to help the members of society and not to destroy or absorb them"(Føllesdal, 1998, p.231). Subsidiarity ultimately bears the values of individual human beings. Subsidiarity is a socio-ethical principle that encourages individuals to develop their individual abilities and which promotes self-determination and personal responsibility.

Subsidiarity can be applied as a principle in society and in government because it helps to determine who, within a large hierarchy, should respond to a problem or issue. Subsidiarity is a general principle for the allocation and coordination of functions and the allocation of accountability and participation between the different levels of government (central and local government), among individuals, society and state. In a government context, the subsidiarity principle lays down the idea that a central authority should have the responsibility to perform only those tasks that cannot be performed effectively at a more immediate or local level.

Individualism and pluralism are two values needed to support subsidiarity. The social institutions and state should be formed in a way which effectively includes the interests of all affected parties in society (individuals and community).

4.2.3.2 Individualism

Individualism is a term used to describe a moral, political, or social outlook that stresses human independence and the importance of individual self-reliance and liberty (Ryan, 1910). Perhaps the best description of "individualism" is by the French term "laissez faire", a verb meaning "to let do" or to let people do for themselves what they know how to do. "Laissez-fair" as a system of thought consists of the following principles: "the individual is the basic unit in society ...the individual has a natural right to freedom, and the physical order of nature is a harmonious and self-regulating system" (Gaspard, 2004, p.6). This term refers to "individual initiative" and "freedom of the individual" in general.

Individualists promote the unrestricted exercise of individual goals and desires. A primary element of individualism is individual responsibility (Stata, 1992). The extent to which society or groups are "individualistic" can vary from time to time, and from country to country.

The current value of individualism in Germany is deeply indebted to the Enlightenment and the philosophy of Immanuel Kant (1724-1804). Individualism in Germany is less "liberal"

than its Anglo-American counterpart, because it greatly emphasizes social values and places individuals firmly within the community (Hahn, 1995, p.60). Kant emphasized the freedom of the mind of the individual describing an enlightened person as one who “makes use of her own mind without the direction of others and who addresses ‘in freedom’ herself as a moral person to the public” (Masschelein, 2004, p. 361). Immanuel Kant also emphasized that each individual understands that his own well-being demands the respect of the well-being of others. Kant believed that the individual has a right to the fullest measure of freedom that is compatible with the equal freedom of other individuals. The “autonomous” human being should not only recognize his fellow man with compassion, sympathy, but should also have a sense of “duty” to others (Verhofstadt, 2004. p.13). The duty “to other human beings” is unconditional. One should act ethically because it is one’s duty. Kant combines the autonomy of the individual with a duty to others. It is a duty that “goes beyond a formal social contract where people only have obligations vis-à-vis others when they have arrangements with one another in advance” (ibid.). Autonomy also means the recognition of the autonomy of others. “[...] [One can only be a human being in relation to other people” (Verhofstadt, 2004, p.14).

From the Enlightenment, German philosophers placed the individual in a wider context, in relation with other individuals and with the state. Hegel (1770-1831) influenced by Kant’s philosophy stressed that for their own sake, individuals should be integrated into larger entities, which are social groups and the community. He emphasized the role of the state as the highest embodiment of morality that ensures the function of the interrelation of individuals. The state allows individuals to fully develop toward self-realization, to interact with others, and to have a mutual love for one another. The state acts as some form of concrete universal that links universality with specificity and individuality. The state is assumed to be incorrupt and competent in order to be the highest embodiment of morality. The philosophy has been translated into the forms of Rechtsstaat (rule of law) and Wohlfahrtsstaat (social state) in Germany (Hahn, 1996, p.71-73).

4.2.3.3 Pluralism

Pluralism, in the general sense, is the acknowledgment of diversity. Pluralism in Germany has been applied to society, politics and economy. Germany is a pluralist performance society (pluralistische Leistungsgesellschaft) (Böhret, Jann, Kronnenwett, 1988, p.13).

Pluralism assumes that diversity and differences in society are accepted and needed. It is a guiding principle that permits the peaceful coexistence of different interests, convictions and lifestyles. Individuals with the same interests can organise into groups and associations. Germany has numerous interest groups from industry and society, citizens' action groups, scientific institutes and the media. Pluralism also covers freedom of expression and freedom of the press.

Pluralism offers the chance for the interest of one not to be excluded by others. Pluralism accepts the differences of individuals and their interests and creates a chance of just distribution among them. The affirmation of diversity in the interests of its citizens and political pluralism is one of the most important features of modern democracy.

The pluralist society in Germany goes hand in hand with the lower level of power distance and individualism. Germans believe in equality among people and the ideal of self-actualization. Even though German society is truly individualistic and pluralistic; the interaction among people is a sense of duty and responsibility (Hofstede Cultural Dimension, Germany).

4.2.3.4 Rechtsstaat

German society is the most uncertainty-avoiding society in Hofstede's models. Facing ambiguity in the future generally makes Germans feel anxious. This is in line with German philosophical heritage (such as Kant (1724-1804), Hegel (1770-1831) and Fichte (1762-1814)). Germans prefer deductive rather than inductive approaches. They would like to present or plan a systematic overview in order to proceed to create certainty than to let things happen (Hofstede Cultural Dimension).

This is also reflected by the rule of law (Rechtsstaat) tradition in Germany. Rechtsstaat literally means a "law-based state" or "constitutional state" or rule of law. It is a state in which the exercise of governmental power is constrained by law. The main principles of rule of law include "[...] the law should be superior, the law must be non-arbitrary, the law must be enforced by an independent judiciary separate from the lawmakers, the law must treat all persons equally" (Stein, 2009, p.298). In a Rechtsstaat, the power of the state is limited in order to protect citizens from the arbitrary exercise of authority. In a Rechtsstaat citizens have both legally-based civil liberties and the ability to use the court system (Hayek, 1960).

The long tradition of Rechtsstaat in Germany has often interpreted the administrative state as a synonym of legal issues. The long tradition of an administrative state based on the rule of law in Germany is deeply rooted in Prussian tradition. The Prussian state became very powerful at the end of the eighteenth century. Its success resulted from strong military and economic development and its efficient administration along with the spirit of Lutheran Protestantism (Hahn, 1995, p.41). In Lutheran Christianity, one's duties toward God do not conflict with the duties toward the Church. State, family and profession are God-given; that's why their validity and integrity are not questioned. Duty to state and family are aspects of service to God (ibid.). Hegel interpreted the Lutheran belief in authority as unquestioned obedience towards the state. The state was based on monarchic principles and on a system of government administered by the impartial elite of civil servants. Following Luther's ethics, the civil servant in Prussia was known as having a strong sense of duty, conscientiousness, incorruptibility, loyalty, and service to the state (Dahrendorf, 1973, p.385).

4.2.3.5 Tradition of Local Self-Government

Subsidiarity is a core concept of a federal structure and local self-government in Germany (in German "kommunale Selbstverwaltung" which means "local self-administration").

Self-government is grounded in the reform of Baron von Stein (Chief Minister of Prussia in 1807) contained in the City Charter Law of 1808. Subsidiarity was a core concept in his reform. Stein's reform concept was aimed at awakening the "sleeping energy", encouraging a spirit of community and citizen duty, reviving a feeling of patriotism and national honour, and countering the idea that the state was the concern of the monarch alone (Gunlicks, 1986, p. 7). The smallest unit of a social community capable of handling problems shall bear responsibility and make decisions - starting from the individual and working upwards from the family, associations and local authorities to the states and the nation as a whole.

The principle of subsidiarity states that the lowest level of government is responsible for carrying out tasks within its purview, and when necessary higher authorities should provide the support that will enable the lower level to fulfil its responsibilities (Norton, 1994, p.27).

Throughout the nineteenth century, reform was focused on relatively strong and autonomous municipal governments that enjoyed a degree of discretion (Gunlicks, 1986, p. 9). Local self-government was also based on another norm – the general competence also mentioned in the Prussian Municipal Charter of 1808. According to this norm, local authorities had a general power of jurisdiction over the affairs of their areas and inhabitants subject to the law. In line with the “general competence” tradition, the Federal Constitution of 1949 laid down the right of the local community to “decide all matters relevant to the local community (örtliche Gemeinschaft) and its own responsibility within the framework of existing legislation” (Wollmann, 2002, p.4).

Following the German-Austrian constitutional and municipal tradition that again was formed in the early 19th century, the local communities can be put in charge, by legislation, of public tasks “delegated” to them by the state (Wollmann 2000, p.118)

The tradition of “local self-government” dates back to the beginning of the 19th century and the right to exercise “local self-government” is ensured by the Federal Constitution of 1949. The local government can appeal to the federal constitutional court or a state constitutional court (or through Land legislation) when the allegation of “right to local self-government” is violated (Wollmann, 2002, p.4).

Another noteworthy tradition of local government in Germany is the “local welfare state” (lokale Sozialstaatlichkeit). The general social security scheme was introduced by the Bismarckian social legislation after 1871. Having been guided by the “subsidiarity principle”, the delivery of personal social services (such as kindergartens or homes for the elderly) is largely provided by charitable institutions (Wohlfahrtsverbände), by non-public, non-profit-making organisations, typically affiliated with the churches and the trade unions. They provide between 70 to 80 percent of the social services offered. Local government should restrict itself largely to an “enabling” function, not a service providing function (Wollmann, 2002).

In summary, local administrators and deputies perform their jobs in an institutional setting that includes formal regulations (regulative system) and unwritten regulations – informal institutions (normative and cultural cognitive systems). Local officials and deputies and citizens interact with each other. As individuals in society their behaviours are determined

by the common norms, values, and expectations of society. The normative and cognitive system consists of current norms, values and concepts and expectations of the roles of local officials, politicians and citizens in society. Over a long period of time, many institutions have been set up and transformed. The institutions that make possible the current range of appropriate behaviour codes in the societies of Vietnam (Hanoi) and Germany (Berlin) have deep roots in their respective histories.

Local officials and deputies and citizens, as individuals in society, act and interact according to the well-accepted “logic of appropriateness” in society. The “logic of appropriateness” is formed and changed over time in order to be suitable to the period of development. Local bureaucrats and politicians in Hanoi and Berlin perform their jobs in an institutional setting. The institutional setting in Hanoi is characterized by an emphasis on the notion of family and extended family with little value given to individualism. The practice of non-compliance with rules is common; acting according to compassion is more expected than acting according to reason. Unequal power distribution is accepted and prosperity is highly-appreciated. In contrast, the institutional setting in Berlin values individualism, pluralism, and equality highly and has a strong tradition of “Rechtsstaat” i. e. rule of law.

Before the analysis of each criterion of good governance, government reform, governance approach and official cognitive aspect which stand behinds the logic of establishing the formal regulations of transparency, participation are discussed.

4.3 Government Reform and Governance approach in Germany and Vietnam

The formal institutional frameworks of transparency, participation and accountability in Hanoi and Berlin have resulted from development through different reforms. The formal institutions of the Socialist Republic of Vietnam reflect a one-party unitary state, no division of power, rule by law, unity of state and society, and market economy with a socialist orientation.

The Federal Republic of Germany is described as a social economic market (soziale Marktwirtschaft), pluralist performance society (pluralistische Leistungsgesellschaft), democracy, and rule of law (Rechtsstaat), social and federal state (Böhret, Jann, Kronnenwetter, 1988, p.13). Germany’s Basic Law defines the Federal Republic of

Germany as a democratic and social federal state (Art. 20, 1). It does not define the concept, social state. The guiding principles of the social state are: a dignified life for all, social equality and aid in the event of social hardship. The concrete implementation of the social system is decided by the legislature and the executive (Brunner, Höfer, 1997, p.67).

The existing governance approaches in each of the cities play a critical role in establishing the formal framework of governance, which in turn defines the level of good governance.

4.3.1 Reform in Berlin

In Germany from the middle of the 1960s to the beginning of the 2000s, government reform has gone through different phases to respond to different changes and external requirements of the environment or the internal motivation of the government.

From the middle of the 1960s until the end of the 1970s, to redress market failures in Western countries, there was a reform movement to advance the “neo-Keynesian” welfare state (Wollmann, 2004, p.641). The crucial framework of reform during this period was the introduction of economic planning, information and evaluation capacities. To improve functions in the public sector, early management concepts and instruments (PPBS - Planning Programming Budgeting System, “management by objectives”) were also introduced (Wollmann, 2004, p.641).

In the late 1970s and 1980s following the oil crisis and the disappointment with government performance, the public acceptance of government began to decline in some Western countries. The bureaucratic system, with its hierarchy of burdensome rules, controls, and procedures, is largely responsible for the ineffectiveness and inefficiency of government. The State is seen not as the solution to societal problems but instead as the very root and cause of these problems (Pierre, Peters, 2000, p.55). The State is believed to be “...too big to solve the small problems in life and too small to solve the big problems” (Bell, 1987, p.1). Government failures seem to be even more expensive than market failures. The neo-liberal theory emerged at the beginning of the 1970s and has been prominent since 1980 (Wollmann, 2004, p.641). This model de-emphasized government intervention in the economy, focused on achieving economic progress and even social justice by encouraging a free market. The reform movement of the public sector has been called “New Public Management”. From the 1980s until the Middle of the 1990s, “New

Public Management” (NPM) aimed at achieving economies, efficiencies and effectiveness in the public sector (Hood, 2001, p. 12554).

The new steering model (Neues Steuerungsmodell NSM) is the German version of New Public Management. The NSM was concerned with the clear division of responsibilities between the political and administrative authorities, leadership by agreement on performance, decentralisation, new types of controlling and reporting systems, output-oriented management and competition (Reichard, 2002, p.45; Hilbertz, 2001, p.10). There are several criticisms of the introduction of NSM reforms in Germany. The NSM has been applied in a way that lacks critical and sufficient consideration of the suitability of the model to the situation, lack of commitment and requisite and comprehensive project management, and lack of attention to the interests and the readiness of employees who must implement the reform (Reichard, 2002). The NSM has been attempted by nearly all state governments in Germany, but each state has focused on different new reform initiatives. All of them have at least some of the instruments mentioned above (Jann, Petersen, 1997, p.20) (Reichard, 2002).

The reform of public administration in Berlin has been regulated by law since 1999 and was revised in 2005. The different reform initiatives in the different areas of personnel management, finance, and structure and quality management were aimed at improving the performance of the public sector. From 1995 to 1999, the administrative reform joined various measures for the managerial modernization of Berlin’s public bureaucracies (Röber, Schröter, 2004, p.18). Different instruments of the new steering model have been introduced that include decentralised structures, output-oriented management, and personnel quality management. These instruments are anchored in the administrative reform principle law of 1999 (Verwaltungsreform Grundsätze Gesetz-VGG) (Senate of Interior and Sport, Berlin). The administrative reform of this period was concerned with the internal organisational and managerial structure of local authorities.

At the end of the 1990s, the NSM expanded more into citizen orientation and the participation of citizens (Reichard, 2002). Starting in 2000, the reform attempted to change from the primarily inward-facing administrative reform to more of a citizen focus. The administrative reform in Berlin leans more in the direction of customer orientation (Kunderorientierung) with more services and less cost and closer to citizens (Bürger Nähe).

This citizen orientation is regulated by the public administration reform law of 2005. (Verwaltungsreformgesetz – Bürgerorientierung) To move more toward a citizen focus, state and administrative modernization, two important reforms carried out are territorial and functional reform. Territorial reform redraws district boundaries. At the beginning of 2001, the number of districts was reduced from 23 to 12. Functional reform focused on the balance of the relationship between the upper and lower tiers of government. (Röber, Schröter, 2004, p.18). Functional reform, with the decentralisation of managerial responsibilities, has given the districts more areas of responsibility (e.g. zoning and local planning). This reform has given a freer hand to districts in organizing their administrations, and a broader scope to shape their expenditures (in terms of global budgets). The “Cost and Service Calculation” is not the only instrument of administrative modernization, but one of the attempts to increase the output of management. And it can be seen to have brought more transparency of public finance in Berlin.

The improvement in the public sector’s effectiveness is still an important issue. The Berlin government focuses on deregulation to reduce the number and the complexity of regulations and the administrative burden on citizens and the private sector. By the end of the 1990s, reform focused on a governance approach in which public authorities not only try to be effective or to serve citizens better but to work together with the private sector and people to solve public problems or to create the opportunity for communities to self-govern.

In the shift “from government to governance”, the modern state in Berlin and Germany attempts to enable participation of civil society as well as the private sector in the governance process. The Federal Republic of Germany is characterised as a social economic market, pluralist performance society, democracy, therefore, civil society organisation and private sector has been long established. It is, however, still a long learning process for all governance actors to exercise their role in modern governance.

4.3.2 Reform in Hanoi

In comparison to Berlin, the government reform in Hanoi and Vietnam has gone through completely different development, which is characterised by its history. Since 1954, Hanoi and North Vietnam strictly followed the centrally-planned economy. It was administrative economics, where the private sectors were completely forbidden. Until 1975, the centrally-

planned economy functioned under special conditions – the war between the North and South of Vietnam (Tran Ba De, 1996). During this time, there were some key reforms to eliminate private ownership, as well as to achieve consensus among intellectuals. The two reforms until now are not often officially mentioned in the Vietnamese literature: Land Reform (end 1953 to 1956) and “Nhan Van Gai Pham” (1956 to 1958) in the North Vietnam. In the fall of 1956 the intellectuals directly challenged the party through the two journals critical of the Party called Nhan Van/Giai Pham (Cheng, 2004, p.487). The scholars who wrote for those journals were arrested, and put in jail without sentence. Some of them even stayed in jail for more than twenty years. This was the first occasion when the CPV taught intellectuals that they should be careful in expressing ideas which were not in line with government policy.

After the reunification in 1975, the whole country of Vietnam followed the centrally-planned economy. In 1986 the CPV admitted the limitations of central planning. Under the pressure of Vietnamese social and economic development, at the sixth National Congress in December 1986, Vietnam's Communist Party made a decisive step to abandon the central-planning model of socialism and to adopt a "market-oriented socialist economy under state guidance" - also known as Doi Moi (Renovation) (Resolution of 6th National Congress of the Communist Party of Vietnam, 1986).

In the transition to a market economy with a socialist orientation, a number of changes have taken place. Some key components of “socialism” in Soviet-type economies have been changed in Vietnam: (i) acceptance of markets for goods and labour, (ii) acceptance of more ownership of means of production, (iii) acceptance of the private sector, but the state still plays a leading role in economy (Beresford, 2008, p. 226). The Vietnamese market economy "model" is not set in concrete but continued commitment to building socialism under the only leadership of the Communist Party remains visible (Beresford, 2008, p. 222).

Until 1992 the mechanism of the command economy, however, was basically unchanged. The first time public administration reform was mentioned officially in Party documents is in the 8th Plenum (7th tenure) in January 1995 (GSC, 2000c, p.12). In 1995 together with economic reform, legal reform in Vietnam was implemented as the first wave of public administration reform (PAR). The PAR process in Vietnam follows a careful approach, “learning by doing”. The Vietnamese government is cautiously and strategically taking the

advice of international donors. With the support of different donors, many PAR projects in key organisations and provinces have been carried out in pilot initiatives.

PAR implementation in Vietnam did not have an overall strategy until late 1998 when the PAR Steering Committee was established. The first comprehensive review of the PAR process was undertaken in 2000-2001 with the support of the UNDP. At the same time the Prime Minister approved the first Master Program for Public Administration Reform 2001-2010. This program targeted four key areas: institutional reform, organisational structure, civil service reform, and public finance. Different government agencies were handed responsibility for specific programs followed by implementation plans (UNDP 2001, 2002). Many aspects of the public administration reforms in Vietnam are dissimilar to administrative reform initiatives in Western country. For instance, “decentralisation” - “phân cấp” in Vietnam means that duties, responsibilities and the authority of different administrative units are divided according to the level of government. Decentralisation in the real meaning of political devolution, where local governments acquire real autonomy and resources to implement their objective, is not yet accepted in Vietnam, due to the fear of the potential loss of unity (Fritzen, 2002, p.9). The decentralisation process in specific areas remains slow and has many weaknesses ((Directive of Prime Minister, 2005, 09/2005/CT-TTg).

The structure of local governments stays the same as the model of the centrally-planned economy. The relationship between central and local government practices in the form of “proposals and approvals” is similar to the model of “begging and granting” in the planned economy. “The requirement for a streamlined, efficient and effective organisational structure has not been firmly adhered to at both central and local levels, resulting in an increased number of focal points” (Directive of Prime Minister, 2005, 09/2005/CT-TTg).

Deregulation in Vietnam is very different from deregulation found in developing and developed countries without a central planning tradition. In Vietnam’s case, deregulation mainly means the simplification of administrative procedures and many complicated regulations inherited from the central planning period or fostered by central planning legacies (Vasavakul, et al, 2009. p.5). “Administrative procedures in many areas, especially in the areas which are most concerning to citizens and businesses, are prescribed and implemented in a way that is cumbersome, troublesome and unreformed” ((Directive of Prime Minister, 2005, 09/2005/CT-TTg).

In conclusion, to use the academic debate “from government to governance”, the governance approach in Vietnam did not follow the traditional one until end of the 1980s. Traditional “governance” is “...the ability of government to make and implement policy, in other words, to steer society.” (Pierre, Peters, 2000, p1). Only government is able to steer, and society is the object steered. The boundaries between public and private and society are strictly defined. The relationship between state and society is one-way, top-down, and a vertical relationship conducted by laws. In comparison to traditional governance approaches, the Vietnamese government is still on its way to achieve a normal and functional administration. It is still on the process to govern through laws not administrative commands (Fforde and Vylder, 1996, p. 16). Government so far is not able to fulfil its steering function based on law. Vietnam’s governance approach is far from being a modern governance concept.

4.3.3 Good Governance in Vietnam and Germany

The level of transparency, participation and accountability in Vietnam and Germany according to the World Governance indicators is mentioned briefly bellows.

The World Governance Indicator, Voice and Accountability (VA), has a lot in common with the good governance criteria in research, participation and transparency. VA indicates the extent to which a country’s citizens are able to participate in the selection of government, freedom of expression/speech, freedom of association, and free media. (Kaufmann, Kraay, Mastruzzi, 2008, p.7).

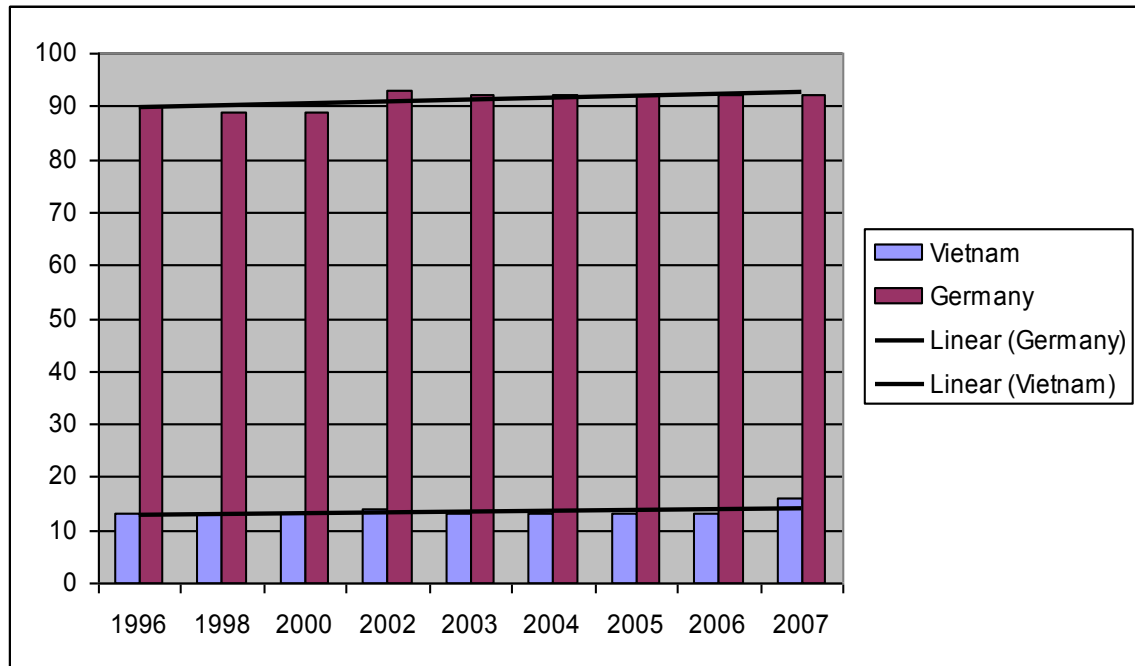


Diagram 8: Transparency and Participation in Vietnam and Germany

(Source: Own diagram based on the World Governance Indicator - Voice and Accountability)

In the above diagram, the World Governance Indicator illustrates the variances in the level of transparency and participation between Germany and Vietnam. Where Germany has achieved more than 90 percent from 1996 to 2007, Vietnam has remained around 10 percent during that same time period. The finding of the level of transparency and participation in Hanoi and Berlin in this research matches with the result of the VA - World Governance Indicator in Germany and Vietnam.

A general picture of the quality of government and the level of corruption in Vietnam and Germany are illustrated by the two World Governance Indicators: Government Effectiveness and Controlling Corruption. The Government Effectiveness Indicator (GEI) reflects “the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies” (Kaufmann, Kraay, Mastruzzi, 2008, p.7).

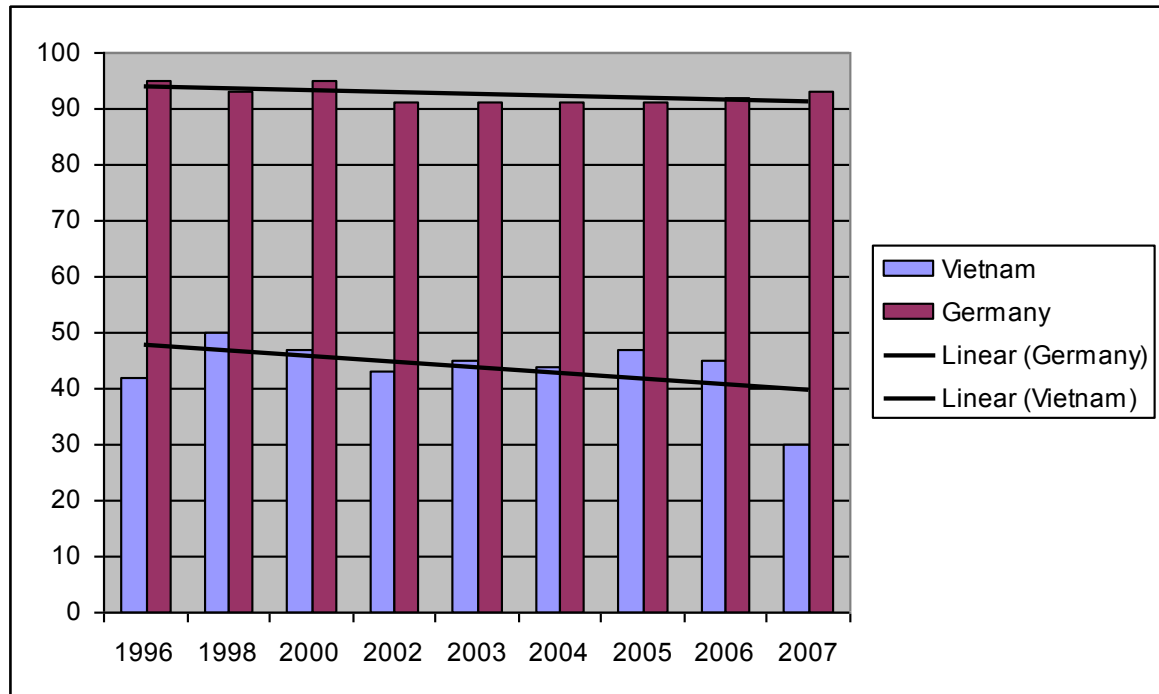


Diagram 10: Government Effectiveness in Vietnam and Germany

(Sources: Own diagram based on the World Governance Indicators)

In the diagram, Government Effectiveness in Vietnam fluctuated slightly every year from 1996 to 2007; with the trend of government effectiveness in Vietnam clearly decreasing. It stays quite stable at under 50 percent, while German Government Effectiveness has been over 90 percent during this same period.

The Control of Corruption Indicator (CCI) – measures “the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests” (Kaufmann, Kraay, Mastruzzi, 2008, p.7). Similar to Government Effectiveness, Control of Corruption in Vietnam has stayed at a remarkably low level around 40 percent while the German Indicator has been more than double that of the Vietnamese Indicator and almost reached 90 percent. (See diagram 11)

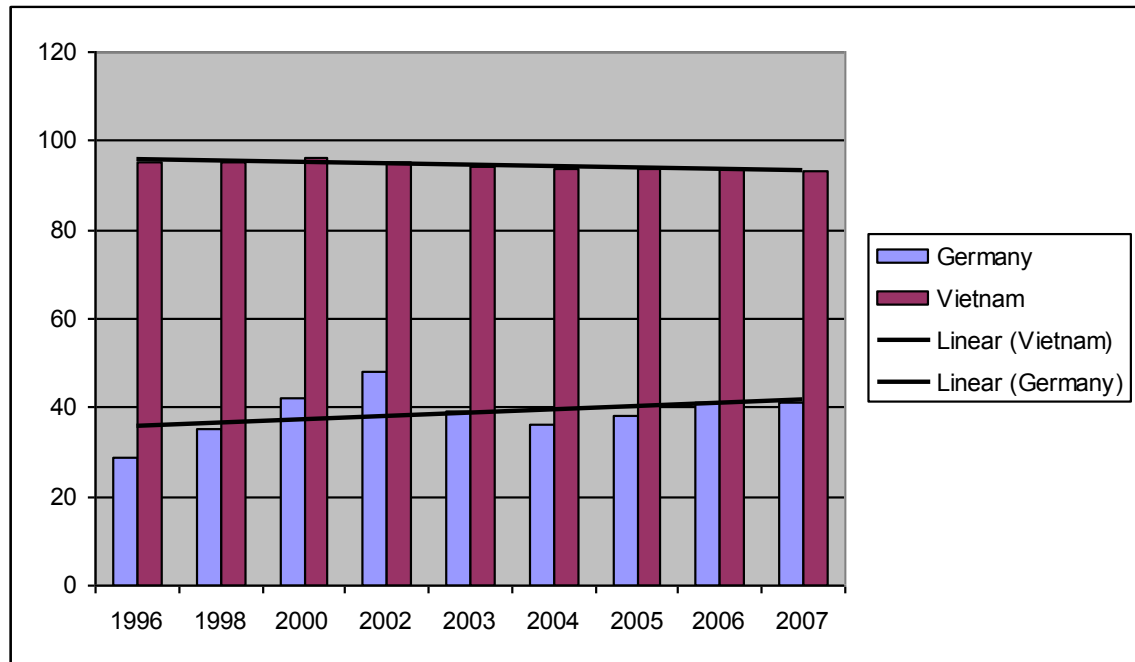


Diagram 11: Controlling of Corruption in Vietnam and Germany
 (Sources: Own diagram based on the World Governance Indicators)

The World Governance Indicator provides a contrasting picture between the levels of good governance in Germany and Vietnam.

The level of good governance in Hanoi and Vietnam through three criteria transparency, participation and accountability will be analysed according to operationalisation which is outlined in Chapter Two (2.2).

The analytical framework developed in Chapter 2 (2.4) is a guideline for the analysis of institutions' influences each criteria of good governance in practice in Hanoi and Berlin. Each criterion will be analysed through this framework. The regulative pillars - formal institutional arrangement – including related formal regulations, which establish the framework for transparency, participation and accountability in the two cities, and then good governance in reality are explored. Finally the influence of formal and informal institutions including the norms, values, habit and perceptions of local officials, politicians and citizens on their behaviours and ultimately on their level of good governance are analysed.

4.4 Transparency

The transparency of the local governments regarding their decisions, policies and structures in Hanoi and Berlin are studied through the availability and accessibility of public information.

4.4.1 Formal Institutions

The Vietnamese Constitution has ensured the right of the people to be informed. Article 69 in the Constitution states that “[...] the citizen shall enjoy freedom of opinion and speech, freedom of the press, and the right to be informed, within the provisions of the law”. This right, however, is redefined and restricted by other laws and regulations.

There are various laws and legal documents defining obligations and rights in the provision of public information. The Ordinance on State Secrets and its implementing Decree regulate the list of information that cannot be disclosed. The Law on Anticorruption introduces comprehensively the types of information that must be disclosed by different sectors. The Ordinance on Grassroots Democracy regulates comprehensively the information that must be publicized at the commune level, as well as the forms of publication. There are many more legal documents that require the disclosure of information across all sectors of government as well as some sector-specific laws (Anderson, et al., 2009, p.125).

In Hanoi, a formal institutional framework for making public information available and accessible is lacking. There are no detailed regulations for public agencies to make information available and to give citizens access to it. The right of individuals and organisations to request information from government agencies, organisations and units, as well as the obligation of the government to reply to those requests has not been defined. There is a lack of regulation pertaining to what kind of information needs to be openly published, through which channels, and who is responsible for providing information and answers to the press or what sanctions are to be applied to public agencies and civil servants who violate the regulations on the provision of information to the public. Most of the provisions in different legal documents define what kinds of information can be made public, but not the assignment of personal and organisational responsibility for the publication of information (Anderson, et al., 2009, p.123). It should be

noted that there are no regulations to date that sanction public agencies if they do not provide information, whereas strong sanctions exist for the press if it violates information regulations. Officials who release information can be punished if they make a mistake, but are not rewarded for making information available (Anderson, et al., 2009, p.127).

In contrast to Vietnam, in Germany and specifically Berlin, there is no contradiction between the rights defined in the constitutions and other legal documents. In Berlin, freedom of information is ensured by several laws. Article 5 of the Basic Law and Article 4 of the Berlin Constitution guarantee that every person shall have the right to inform himself without hindrance from generally accessible sources (Basic Law, Article, 4.5 (1)). Given the fundamental right to information, governments have a duty to provide access to information. The Freedom of Information Act was passed in Berlin in 2004 defining the right of citizens to have access to information. One of the purposes of the Law on Freedom of Information is to ensure a comprehensive right to be informed of the existing possibilities of information, to promote democratic opinion in the decision-making process and to allow control of state action (Freedom of Information Act - FOIA, Part 1, and Section 1). Information is the basis for the strengthening of all government-citizen relations.

The Freedom of Information Act gives Berlin's citizens the right of access to information on public authorities and other public bodies in Berlin (hospitals, privately-owned establishments and courts are excluded). Information can be in written, electronic, optical, or oral format. It includes documents, magnetic tapes, disks, films, photos, tape recorders, plans, diagrams, pictures and maps, as far as they serve an official purpose (Section 3 Freedom of Information Act). The law requires no identification or justification from citizens when they approach the government with a request for information. The law obliges public authorities to give a written explanation of the reasons for rejecting a request. If public authorities intend to reject the request, they shall inform the applicant within two weeks after the request is filed (Section 15, 5, Freedom of Information Act). For instance, the FOIA requires local authorities to inform the local population about urban planning including planning schemes and development projects at an early stage.

The law explicitly states that access is the rule, but it generally limits access in the following areas: national security, private company data, individual privacy, and legal proceedings. High fees for provision of information are charged so that this tool is not abused

Formal regulations create a framework for a local government's transparency; but it is important to explore the role of the media in transparency in the two cities.

4.4.2 Capacity of the Media

Vietnam does not allow private press, radio or television. The State promotes information, the press, radio, television, cinema, publishing, libraries and other means of mass communication (Article 33, the Constitution 1992). Under the leadership of the Communist Party, all media belongs to the government or the party.

According to Article 2, 6 of the Press Law 1990, the press has a role in guiding the public and reflecting people's opinions and their appropriate wishes. It is a platform for people to execute their right of freedom of expression (Article 2, 6, The Press Law 1990, Article 15 amended Press Law 1999).

Hanoi has its television and radio station and a newspaper called "Economics and Urban Affairs" (Kinh tế đô thị), and a daily newspaper of the Hanoi Communist Party Committee called "New Hanoi" ("Hà Nội mới). At city level media mentioned above have their own website. The radio system extends deeper to the district and community levels. There are five district radio stations and 226 community radio stations, out of which, 102 are radio stations of communities in the inner urban area of Hanoi (Hanoi Information – Hanoi People's Committee, 2004). The media are critical tools for the Hanoi government to extensively promulgate information that the government wants people to know. The media in Vietnam is free to inform and be informed within the "right -side" "lề phải" (Minister of Information and Communication - Lê Doãn Hợp). The "right –side" means that the media are free within the permission of the state. In other words, the media have a limited freedom of press and the level of freedom is decided by the party-state.

In contrast to Hanoi, the Berlin Press Law states that the press is free and serves the liberal democratic basic order. Special measures of any kind that might impair the freedom of the press are forbidden (§1 Berlin Press Law). Press activities including the establishment of publishing companies or other companies of the press are not dependent on any licensing (§2 Berlin Press Law). The press must validate all news before dissemination with compulsory attention to content, truth and origin.

The Deutsche Welle, the only television broadcast outside Germany, is owned by the state in Germany. The public broadcaster of Berlin RBB (Rundfunk Berlin - Brandenburg) is not state-owned and its budget comes from viewers' fees. RBB is independent, non-party and state-distant. As an enterprise, RBB reacts to new developments and changes of public expectations (Rundfunk Berlin - Brandenburg).

The three major daily newspapers in Berlin include the Berliner Zeitung, Der Tagesspiegel, and the Berliner Morgenpost. There are also different weekly newspapers, magazines and other radio stations in Berlin. The media play an important intermediate role between public agencies and citizens to transmit information. It would not be easy for public authorities to hide information or to create difficulty in accessing information. All of the media operate according to the law and have to ensure the accuracy of information that they disseminate. The media have the right to express freely their point of view.

In Berlin, the press is responsible by law for content and the truth. Journalists are required to have good professional qualifications rather than good political qualifications such as loyalty to the party as in Vietnam. In Vietnam it is written in the law that journalists are obliged to protect the policies and guidelines of the CPV and the government (Article 15, Amended Press Law 1999). In Vietnam the general editors of radio, television, and newspapers are all CPV members, and salaries are paid from the state budget.

In Berlin, the authorities are obliged to give information to the representatives of the press. General orders that forbid an authority from giving information to the press are illegal (§4 Berlin Press Law). Public authorities do not have the right to control personal or professional matters of the press.

4.4.3 Information on Policies and Regulations

In Berlin, public information on policies, regulations and activities is made available through the internet, or through brochures, books and leaflets. People can either order free of charge or download from the internet a number of publications from both the Berlin government and district authorities. Information is available and there are no difficulties in accessing it. All policies, regulations and laws related to education, youth, sports, finance, health, social and consumer protection, justice, city development, planning, measurement, construction, environment and nature can be found in different types of brochures and on the official website of Berlin: <http://www.berlin.de>. If a citizen has questions related to public issues, s/he can find answers on the official website of Berlin information. These include contacts, working hours, telephone numbers and email addresses of responsible

civil servants and officials in the eight ministries of Berlin and in its twelve district authorities (Bezirksämter).

In Hanoi, on the other hand, not all public policies are well disseminated to the people. Guidelines and policies that need support from people are distributed through television, radio and newspapers. For instance, information related to preventive healthcare such as immunizations for children, or environmental issues such as keeping the city clean and green... is widely disseminated by Hanoi television and community radio stations. It is carried out as part of the propaganda to improve the preventive healthcare and environment in Hanoi.

Other important policies related to city planning such as building new roads or clearing lands are extremely unclear to people in Hanoi, because the information is not available, while in Berlin, information related to reconstruction and city planning is made public through exhibitions and obligatory citizen hearings. Architectural plans are exhibited for two months, while, in Hanoi, it is only for a maximum period of one week. Moreover, information about planning, in Hanoi, is usually not clear enough for people to understand. In Berlin, all information related to the construction and reconstruction of roads including the place and time work will take in a district is always available to all citizens.

Every district authority in Berlin has a press office. To inform the public about the activities of public agencies and issues concerning the public, districts regularly organise press conferences and disseminate press releases. It is very common for districts to have a press conference with representatives of the media. For instance, the number of press releases in the Lichtenberg district (about 320.000 inhabitants) in 2006 was more than 850, (in 2005 it was 800). The average for press releases is 15 per week (Lichtenberg Jahresberichte, 2006, p.46). Some districts, like Marzahn-Hellersdorf have archives of press release on the Berlin website dating back to 2003 (Marzahn Hellensdorf, 2011).

While press conferences and press releases are frequent in Berlin, they are very new to local officials in Hanoi, especially at the community and district level. Hanoi local officials might meet individual reporters, but to organise an official conference to meet different representatives of the media to inform them about public activities or public concerns at

community or district level is not common. Neither Hanoi nor the central government publishes policy statements and the rationales behind its policy decisions.

4.4.4 Information on Administrative Services

The term administrative services refer to different types of services related to granting applications or permits such as a resident registration, a business license, an exchange of land use rights, a request for welfare, a construction permit, and a notary. The Public Administration Reform Master Programme 2001–2010 stipulates “The OSS (One-Stop-Shop in Vietnamese: Một cửa - Một dấu; One door – One seal often called “one door” (Một cửa). “One door” model is an important policy to improve the transparency of public administration at all levels. The main principles of “one door” policy are simplicity, clarity, legality, openness of administrative procedures, openness of service cost and dues, speed, convenience, receive demands and answers in one location (SDC, 2005, p.14). Citizens should have more open access to administrative procedures.

The OSS has been widely applied in Hanoi. There have been staff in charge of OSS in Hanoi since 2004 and in all communities since 2005 as required by the Prime Minister’s Decision No. 181/2003/QĐ-TTg. However, there are 15 to 27 bureaus and professional agencies at the city level that have not implemented the one door model (Nhật Tân, 2007). The One Stop Shop aims at improving the quality of administrative services. Instead of going to many different offices to get a service, people need to go to just a single “door” for multiple services (SDC, 2005, p.14). Different types of demands from citizens are received, processed and returned to the citizens in a single “door” through which they made their request. The action that follows the appropriate administrative procedures within the professional bureau of department concerned is undertaken by the public agencies.

The OSS staff operate in two ways. In the first, OSS staff is professionals from different bureaus at the district and city levels. They are in charge of receiving files from citizens, processing requests and returning the results (Reception, Processing and Return (RPR) (Do Dinh Luong, et al., 2002, p.12).

In the second, the OSS staffs are responsible only for properly receiving, documenting and returning files after they are processed (Reception and Return (RR)). After receiving the

file requesting a service, the OSS staff forward it to the relevant bureau. These bureaus are then responsible for processing the requests properly and returning them to the OSS which would in turn return them to the citizens (Do Dinh Luong, et al., 2002, p.12).

The responses and results of the local government to citizens' requests often take longer than mandated by the regulations. To explain these delays, different levels of administration blame each other. The administrators at the district levels affirm that they have done their job well, but once the files have been sent to the city or community levels their hands are tied. The administrators at the community and city levels provide the same excuses (summarised from interviews- Informant 2, 4, 5, 8).

The administrative procedures reforms that started along with the introduction of OSS have improved the availability and accessibility of public administration information. Nevertheless, it has been said that while the one-stop-shop model is described as having only "one door", there are still "too many locks" ("một cửa nhiều khóa") (Informant 5).

It is hard to assess the real achievement in the implementation of the one-stop-shop model in Hanoi. The official report on public agencies and the effectiveness of their administrative services is not accurate. A report on government agencies on the implementation of the "one door" policy over a three year period (2004 to October 2006) announced that the percentage of cases which were solved on a timely basis was 97 percent. Interestingly, the chairman of the Hanoi People's Committee rejected the report, because he distrusted the accuracy of this number. The Hanoi People's Committee announced that this figure did not reflect reality (Nguyen Tuan, 2006). In consequence, neither a new report nor the exact number of timely conclusions has been released.

In Berlin, since the mid-1990s, the reform attempted to change from an inward-facing administrative reform to more citizen focus.

The administration reform, "nearer to the citizen" (Bürgernahe Verwaltung) "customer orientation" (Kundenorientierung), has resulted in the establishment of citizen offices in the twelve districts in Berlin. As of 2006 there were 46 citizen offices in Berlin. Every office is open 30 hours/week. Some are open on Saturdays and some districts plan to keep their offices open on Sundays. All information on the citizen offices including location, hours of operation, contacts and services can be found in leaflets about a citizen office or in district brochures (every district has its own brochures) and on the official Berlin website. Different citizen offices offer different services, but all information about services can be found at the

website of every district authority. The citizen office is organised as a one-stop-shop model. Common services provided in citizen offices are residence registration (including new registration, deregistration and change of registration), passport or ID, notarization, tax advice and requests for information.

The information technology (IT) for the framework of e-government in Berlin has supported and created more opportunities for people to access information and to save their time in accessing public agencies. Every district has information about citizen services from A to Z online. Forms and applications are available for download. People may make appointments with the citizen offices online. Program schedules for important and interesting events in the districts and in Berlin are available on the internet. Some districts also have a "topic of the month", and city hall news (Rathausnachrichten) informing people about the main activities of the district authority. It is important to note that, on the internet or in district brochures, people are able not only to find information about public services, but also information about all sorts of essential services such as hospitals, doctors, kindergartens, etc.... (Answering the questions: what? when? where? (Was? Wann? Wo?). Information on events in a district and in Berlin can be found in a "District Weekly" (for instance Reinickendorfer Woche; Spandauer Woche...). There is no difficulty accessing information.

The local government of Hanoi has tried to make information available via Hanoi Portal, an official website of Hanoi created in 2004. It was established to provide a new channel for people and businesses to gain access to the policies and regulations of Hanoi local governments. On the Hanoi Portal website, several services were offered including administrative procedures such as document status, electricity and water bills etc.... After two years, the website was still under construction. The information about online administrative procedures was not complete. By October 2007, many icons were still unavailable or showed "no data" or "data is being updated".

There was no internet connection at the ward level, and they even did not have enough computers for work (Informants 1, 3, 10). As informant 10 said the Hanoi Portal only worked at the city level. A survey carried out by the Hanoi Party Committee of Propaganda reveals that 58.3 percent of interviewed knew nothing about the Hanoi Portal. It was therefore not surprising that 78.4 percent did not access it and 75.9 percent considered information on the Hanoi Portal not helpful for their work (Hanoi Party Committee of

Propaganda, 2006). After two years of existence, the Hanoi Portal had not provided comprehensive or up-to-date information.

4.4.5 Information on Public Finances

Information on public finances is a sensitive issue in Vietnam. Public finance deals with budgeting the revenues and expenditures of a public sector entity. For a long time, people had no information about the budgets, revenues and expenditures of public agencies (including SOEs, central/local level). Since 2003, the State budget at the national level has been disclosed on the official website of the Ministry of Finance. However, disclosures about the Hanoi city budget so far are not available on the Hanoi Portal.

There are two financial categories at the community level. The first are the revenues allocated by higher levels of government or the state budget. The second involves different kinds of funds raised from citizens. In reality, fiscal information about revenues and expenditures is limited and cannot be easily accessed. Only senior officials in the public agencies are kept informed about the fiscal matters of their organisations. Deputies of the People's Councils at the three levels of local government are given access for their localities to the financial reports of the People's Committee. The finance reports emphasize the level to which expenditures have been in compliance with the purposes for which the funds were allocated. The financial reports often show income, but expense listings are general and unclear (Informant 12). Even though the reports are simple, they are not easy to access. Theoretically, this financial report may be passed further to the head of the urban quarter of communities, if s/he asked. If a normal citizen wished access to this information, s/he might obtain it from the head of his/her urban quarter. In reality, however, no one has tried to ask for this kind of information (Informants 1, 3, 5, 12).

Generally, people might have access to information on the funds to which they contribute. Regulated by the central and the city government, people have to contribute to public funds such as the public interest labour (the target is set by the city government every year), security and defence fund, fund for protection from storm and flood, child savings fund, charity fund, poverty reduction fund, fund for the poor, fund to encourage learning, etc.... The fiscal information on this required fund-raising must be published. The fiscal reports of these funds are simple in structure; usually they are just balance sheets on total revenues and expenditures. This kind of fiscal report is also not published.

Fiscal information on public agencies is not easy to access. An internal audit of public agencies does not exist. The State Audit Office does not have enough capacity to work at all three levels of local governments, especially at the community level (Informant 10). The State Audit Office is not really an independent agency, and its results were not openly published until August 2006.

Berlin as a German state has accumulated more debt than any other city in Germany. In 2003, the primary deficit stood at 2.43 billion Euros, mainly due to reunification-related expenditures. By 2006 the city debt burden rose to some 60 billion Euros (\$74.7 billion) (Deutsche Welle, 2006). This deficit could be diminished by different policies to increase growth rate and investment and to implement a strict savings policy. In 2007, Berlin achieved, for the first time, a surplus of 80 million Euros (Spiegel, 2008). Such information about the government's yearly fiscal status in different local governments is not available to citizens in Hanoi.

In comparison to Hanoi, information about public finances in Berlin is significantly more open. Important information about the public finances of Berlin is made available to the public. Implementing the NSM, Berlin worked on developing its financial and budgetary reform as an instrument of modern administration. The lump sum principle was introduced in 1995 and has since been included in the Berlin constitution (Article. 85 II, VVB). For the attainment of its reform goals, Berlin has absolutely taken a leadership role for the other federal states. It is important to note that its administration reform considerably strengthened the decentralised element of Berlin's city government without fundamentally challenging the notion of Berlin as a single administrative entity.

Finance is clearly defined for the two levels of Berlin administration. At the Berlin level, the Senate of Finance is responsible for the budget, the tax management and the management of the land property (properties and participation enterprises). Information about budget planning (five-year budget planning), finance planning for periods of one year or five years, money and credit business and tax are available on the internet or in hard copy.

All tasks not performed at the senate level are in the hands of the borough - the second level of Berlin administration. The borough receives the global sums calculated and assigned by the Senate of Finance. When the expenses of a district exceed the global

sum it is allocated, the district itself has to cover the deficit but it is not allowed to tax its citizens or obtain loans. The main areas in which a district usually spends its funds include personnel administration, investments and social areas. On the basis of the global sum, every district independently develops a budget that must be agreed first by the district parliament and then be confirmed by the Berlin's House of Representatives (Paragraph VIII, Berlin Constitution).

Berlin is the only German local authority in which budgeting is standardized constitutionally-juristically. Since the financial year 2001, lump sums have been allocated according to "output" budgeting principles instead of "input" principles. Allocation of the budget is based on the services actually provided by the districts.

Information about the budget and its allocation in a district can be easily accessed if someone is interested. The budget in Berlin is strictly defined by law; hence, the juridical budgetary report is extensive and complicated for non-experts to read. For instance, the biannual budget for the year 2006/2007 of the Charlottenburg district is about 850 pages long. To make it easier and clearer for citizens, the district has created a shorter version, 16 pages long, which explains the important details of the annual budget. It contains information about the income the district is allowed for the year, changes from the year before, consequences for subsequent years and why the money should be allocated and to where. The global sum allocated by the Senate of Finance covers most of the expenses of the district (in the case of Charlottenburg, it is about 80 percent).

Berlin has focused on budgeting and the benchmarking of performance via the administrative costs of a service. This reform aims at creating more room for districts to handle their overarching finances and at encouraging efficiencies and the quality of services delivered by them. Each district whose product unit cost lies below the standard price can keep the full difference and use it as desired. Since 2001, the comparison of costs for different services among 12 districts has been available under a program called "What costs how much?" ("Was kostet wie viel?"). The program "Cost and Service Calculation" provides information not only about the cost of a service in different districts, but also its cost classification. It shows total expenditures in personnel as well as different areas such as environment, construction, healthcare, consumer protection, youth, kindergarten, family, sport, culture, administration, and social areas. Cost data provides the average price for a service and compares prices among districts. For instance, the

average cost of registration service in Berlin is 16.35 Euros and personal cost is 9.37 Euros. The two districts, Marzahn-Hellersdorf and Treptow-Köpenick, have the highest service cost (20.03 and 20.52 Euros respectively) and these districts also have high personal costs 12.27 Euros and 12.22 Euros (Klages, 2006, p.366, 375). Information about public finances from the budget of Berlin, the allocation of budgets for districts, and expenditures to the cost of service are made available and easily accessible.

All in all, there is a vast disparity in the level of transparency in Hanoi and Berlin. The influence of institution on the level of transparency in the two cities will be analysed below.

4.4.6 Influence of Institution on Transparency

In Hanoi, the legal framework for making public information available and accessible is not complete. There is no equivalent of the Information Act that defines the right to information concretely. In Hanoi, instead of enforcing the rights of citizens to be informed and to participate as defined by the constitution, other legal documents actually redefine and restrict them. As the only leader in Vietnamese politics, to ensure its position, the CPV does not allow private media. It prevents the free expression of citizens, associations and media. In Hanoi, there are a number of newspapers, magazines and television stations but only one general editor. In other words, the state media, under the leadership of the Party, decides which information is suitable for the country's benefit, what is good for the people and to what they are allowed access. Information disseminated to the people is always scanned and selected by the state media. The media, first and foremost, are one of the most important instruments of the Party and the government to disseminate their guidelines and policies and lastly a platform for public discussion.

Under the theory of pluralism German systems are organised completely differently from those in Vietnam. The Basic Law and the Berlin constitution ensure freedom of political expression, freedom of speech, and freedom of the press. In Berlin, formal institutions have set a clear framework about the right to access information as well as the requirements of government to make information available. The media in Berlin are also able to fulfil its role to allow the flow of information between the government and its citizens.

It is important to explore perception, a value in Hofstede's cultural dimension, in order to understand how informal institutions influence the level of transparency in each of these

cities. In Berlin, formal institutions have set a clear framework about the right to access information as well as the requirements of government to make information available. The media in Berlin are also able to fulfil their role as the conduit of information between the government and its citizens. Culturally, Berliners like all Germans are uncomfortable with uncertainty. German society relies on its rules, laws and regulations. For German citizens, it is natural and expected that the government makes all its decisions public. German society does not believe in unequal access to information, in the sense that some people have easier to information than others, or that government officials and politicians are allowed to keep government information internal.

One of the factors contributing to the low level of transparency in Hanoi is the perception of the right to access to information. Citizens do not understand that public information held by public authorities is the property of the people (Anderson, et al., 2009, p.127). The right to access public information is still an unfamiliar concept to both local administrators and the public. In interviews conducted as part of this research, several chairpersons of the People's Committees mentioned that people do not have enough knowledge to understand the state budget. Three interviewees in Hanoi believed that people should not know about public finances in their wards, because "it is none of their business" (Informant 1, 5, 6). Their perceptions result from Vietnamese traditions and history.

Vietnamese society accepts hierarchy, the unequal relationship between people, which is one principle of Confucian tradition. People believe in the unequal distribution of power among people in society. Vietnamese people are tolerant of ambiguity and uncertainty. These cultural dimensions influence the openness of the state as well as the right of citizens. Like many other one-party unitary states, Vietnamese society is deeply embedded in (and fosters) a culture of suspicion and secrecy. During the period as a centrally planned economy, access to important information in the public sector was not equal for all levels of the government. Within public agencies, information was not accessible to all public employees. Nowadays, access to information still depends on the post of the public employees, and their political qualifications – whether one is a party member or not. Information was and is privileged for high-ranking officials. This practice of keeping important information with important people is common. Keeping public information only with high-ranking officials gives them more authority and more power.

In a society embedded by secrecy for a long time, public officials are not aware that one of their duties is to make public information available. Moreover, this duty of provision of information is not written in the laws and regulations. The main reasons for low levels of transparency in Hanoi as suggested by the foreign experts working in Vietnam are: (100 percent of foreign expert agree (from strongly agreed to somewhat)

- “people accept it (no transparency) as the way it is”,
- “a culture of secrecy during war time and the central planned economics”,
- “no habit of asking public servants for information during planned economics”,
- “the media are strictly managed by the government”,
- “people have access to the information which the government wants them to have”,
- “the media are used as a tool propaganda” and
- “the social network is the main source of information”

Only 10 percent do not agree that information is constrained by hierarchy (meaning no openness with information, information stays at the higher levels). Only two percent do not agree that low transparency resulted from “Passiveness, the habit of listening to the central government”.

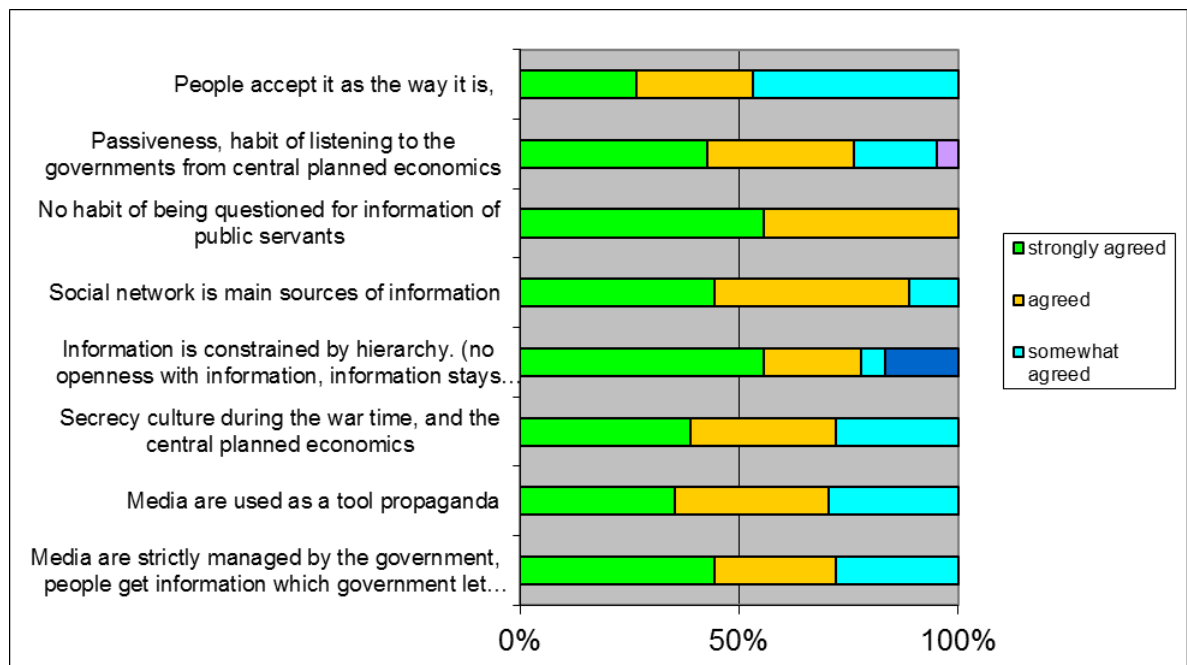


Diagram 7- Important Reasons for Limited Availability and Accessibility of Information

(Source: Own diagram based on the answers to the Questionnaire administered to Foreign Experts working in Vietnam)

4.5 Participation

Voting participation and non-voting participation, initiatives developed by government and associations are key indicators of participation that will be compared in Hanoi and Berlin.

4.5.1 Formal Institutions on Voting Participation

In Hanoi, each level of local government has a corresponding People's Council (Hội Đồng Nhân Dân), executive People's Committee (Ủy Ban Nhân Dân) and line professional agencies. The representatives of people at each of these three levels of local government are called People's Councils. At each of these three levels of government, the People's Council is popularly elected by the citizens for a 5 year-term (Law on the Election of Local Deputies to the Local People's Councils 2003, article 1). The size of the People's Council varies between 35 and 45 deputies at the commune level, and between 30 and 40 deputies at the district level, dependent on the size of the population in the districts and communes. Hanoi City's People Council has 95 deputies (Law on Election of People's Council 2003). The Law on the Election of People's Council and the Law on the Fatherland Front ensure the faithful representation of the rights and interests of the whole nation of the Communist party. As written in Article 2 of the Law on the Election of Local Deputies to the Local People's Councils 2003, all eligible citizens of the Socialist Republic of Vietnam, who are at least 18 years old or older, have the right to stand for election to the People's Councils. However, the make-up of the People's Council candidates at the three levels represents the proportion of gender, party members and non-party members, ethnic minority, age, professions in public organisation, and political organisations. The number of independent candidates is negotiated at three consultative voters' conferences (Articles 33, 36, 39, Law on the Election of Local Deputies to the Local People's Councils 2003).

In Berlin, there are two directly-elected tiers of government. Aside from the House of Representatives of Berlin State, each borough has a borough assembly (Bezirksverordnetenversammlung - BVV). The BVV consists of 55 borough representatives directly elected by the people. Article 39 of Berlin Constitution states, the representatives shall be elected in general, equal, secret and direct elections. All German

nationals who have reached the age of eighteen by the date of the election and have resided in Berlin for at least three months shall be entitled to vote. In the multiparty system, a number of parties take part in the election. A party participating for the first time in an election (election of the House of Representatives or the German Bundestag) must submit its own electoral recommendation, no later than four months before Election Day to prove the party's quality.

In every district electoral nomination, an unrestricted number of persons can apply. Every person who is self-nominated as an electoral candidate must gather at least 185 signatures of voters who have their principal domicile within the district (Election Act of Berlin, Article 10. 9, Berlin Wahlgesetz).

The Basic Law and the Berlin Constitution ensure political and civil rights. People enjoy freedom of speech and assembly.

4.5.2 Voting Participation

An important form of participation is the voting for local officials. Through voting, people elect representatives who will speak up and stand for their desires and needs. The quality of an election is dependent on the voters' ability to actually participate and have a valid choice of candidates.

Competitive Elections

Competitive elections do not exist in Hanoi. All candidates for the Local People's Councils at the three government levels are approved by the party – state (Koh, 2006, p.2). The actual number of self-nominees or independent candidates is very limited. The three levels' consultative voters' conferences are held to carefully scan and pre-select the Party-favoured candidates through the Fatherland Front organisation. The consultative voters' conference is held either at the office where a self-nominated candidate works or where s/he lives. The goal of the consultative voters' conference is to select the candidate who best meets the requirements as determined by the Party. It is during this initial phase of the election process that candidates not favoured by the People's Council's local deputies are eliminated.

In the elections for the term 1999-2004, only one out of the 137 candidates for local deputy positions at the city level was an independent. At the district level, the number of

independent candidates was one out of 604 candidates, at the community level, 50 out of 7,614 candidates (Report of Fatherland Front of Hanoi City on People's Council Election, the term 1999-2004).

Table 5: Candidates for People's Councils at the Three Levels: Term - 1999-2004

People's Councils	Independent Candidates	Total Candidates	% of Independent Candidates
Hanoi	01	137	0.73
District	01	604	0.16
Communes	50	7,614	0.66

For the elections to the People's Council for the term 2004 - 2009, the number of independent candidates at the district and community level was not made available in the report of the Fatherland Front of Hanoi City. At the city level, the number of the independent candidates increased to fourteen from the one independent candidate in the election term 1999 - 2004.

To ensure Party candidates are elected, the Fatherland Front seldom nominates a candidate in a locality (or an election unit) where s/he lives, especially at the community level. This tactic is used to avoid local people knowing the candidate too well and the potential for them to be voted out (Informants 7, 9, 10).

In contrast to Vietnam and because Germany has a multi-party system, a number of parties participate in elections in Berlin. The number of parties participating in borough assembly elections varies in different election terms and among districts. In 2001, for example, the total number of parties involved in the borough assemblies of twelve district elections was forty. In Charlottenburg there were ten parties in the election nomination (CDU, SPD, PDS, Grüne, REP, FDP, Die Grauen, WPK, STATT party), while in Lichtenberg there were nine parties (CDU, SPD, PDS, Grüne, REP, FDP, NPD, PASS, Partei pro Berlin). (See Appendix: List of Political Parties in Berlin) Two districts, Charlottenburg (in West Berlin) and Lichtenberg (in East Berlin), were randomly chosen in this research as examples to illustrate the election process in Berlin.

In the 2006 election of the borough assembly, the total number of parties in the election nomination list was forty-five including parties and election communities. Some parties that appeared in the election of 2001 did not participate and other new parties took part. In the list of election nominations in 2006, Charlottenburg had eleven different parties, (SPD, CDU, Die Linke, Grüne, FDP, Graue, BüSo, Bildungspartei, Offensive D, Wahlalternative Soziale Gerechtigkeit, Bürgerbündnis, Charlottenburg-Wilmersdorf), while in Lichtenberg there were eight parties (CDU, SPD, Die Linke, Grüne, FDP, NPD, WASG, Offensive D) (Berlin Statistical Office, Election, 2006).

Five political parties dominate elections in Berlin: CDU, SPD, PDS, Grüne, and FDP. These five parties are always on the nomination lists in the elections of borough assembly in all twelve districts. To ensure victory in an election, each party has its own criteria for choosing its candidate. Often parties try to structure their nomination to represent the structure of the borough's population. This means the nomination list includes people of different ages, gender and professionals. For instance, they might include intellectuals, workers, the young, and the elderly (Mr. Schmidt, CDU Reinickendorf). In every district electoral nomination an unrestricted number of persons can apply. Unlike Hanoi, there are no conferences to vote out un-favored candidates before the official Election Day.

Election Campaigns

"Parties or candidates propose policies during campaigns and explain how these policies would affect citizens' welfare. The citizens decide which of these proposals they want to implement" (Manin, Przeworski, Stoker, 1999, p.29).

In Hanoi, there are no election campaigns run by the candidates themselves. The campaigns for the elections of People's Councils are actually conducted by the government, and the Fatherland Front at all three levels. The councils for electing deputies of the People's Councils at the three levels are in charge of informing, propagating and campaigning during elections in their respective localities. The only information that most voters receive about the candidates is their biographies that appear on the information board on Election Day. The party – state prepares a powerful propaganda campaign for the election through its media at least one month before Election Day. The successes and progress achieved during the last term under the leadership of the party are mentioned, as

well as promises to do better. At the same time, the media emphasize that it is a citizen's right and obligation to participate in the election.

In Berlin, each party campaign strongly but because each party has its own financial and personnel capacity, it may be limited in what it can achieve during the run-up to elections. Whereas in Vietnam the government, mass organisation and government media are responsible for propagating the elections at all levels, in Berlin each party has to find its own communication strategy to spread its election message. The election message is a concise statement showing why voters should choose their party and its candidates. Depending on its strategy and capacity, a party uses different techniques to spread and advertise its message and election program. It involves the public media and commercial media including television, newspaper, radio and internet. Other methods such as the party leadership holding mass meetings with voters, communicating in person at events or on the street, distributing leaflets, communicating online or via a website, and organizing political house parties are used during the election campaigns (summarised from interviews).

As all parties try to inform the voters during election campaigns, voters have the opportunity to hear different ideas and programs. Ms. Schöttler - the mayor of the Treptow-Köpenick borough, stated that during election campaigns every party tries to introduce the action programs which it will implement if elected. The election campaign is not about trying to find mistakes in or talking down other parties. Voters, during election campaigns, take the information gained about the different parties and decide which party will best represent their interests.

The election campaign for the Borough Assembly happens at the same time as the Berlin House Representative election. Each party has an election program for the two separate elections. The unique characteristics of the district are taken into account for the borough election campaign. The program at the state level and district level of one party is not always the same because of problem and priority differences at each level.

Free Participation of Voters

Voter turnout in Hanoi is extremely high in that it reaches 99.75 percent of voters (Report of Fatherland Front of Hanoi city on the People's Council Election, the term 1999-2004).

Election units in Hanoi even compete to finish the voting process as early as possible. According to the report of the Fatherland Front, by 1:00 PM on Election Day turnout had reached 91.2 percent. If the turnout in an election unit is less than 90 percent, the election in this unit could be re-held on another day.

Given the fact that there is no real choice in elections or the “winner” is already decided, recently, more and more voters in Hanoi have responded to the election process with apathy or criticism (Koh, 2006, p.111). To show their disagreement, voters might leave their voting paper blank, or send one person to vote for the entire family.

The party-state has used the ward state machinery to secure a high turnout rate at every election (Koh, 2006, p.111). On Election Day cadres or heads of the quarter visit families, who have not yet voted, ask them to do so for the good of their quarter. People will not refuse, because of the neighbourhoods, maintaining relationships and avoiding trouble later.

The turnout on Election Day in Berlin varies each election term. In the 2001 election, the average turnout in Berlin was 68.1 percent (West Berlin 70.6 percent, East Berlin 64.6 percent) while the election in 2006 had a turnout of 66.98 percent (West Berlin 69.1 percent, East Berlin 63.8 percent) (Berlin Statistical Office, Election, 2006). Election turnout results indicate people’s interest in Berlin politics, and to some extent, it reveals the trust the people have in their government and politicians. The turnout on Election Day in Berlin and in Germany is high in comparison to other European countries, but it would be unimaginable to reach the extremely high percentages seen in Vietnam. People are free to vote on Election Day, and there is no competition on turnout numbers among the districts in Berlin. It is unthinkable that on an election day one family member would go to vote for all, fulfilling the citizens’ responsibilities for all other family members.

In summary, in Berlin, a number of different political parties take part in elections and voters have a range of options for choosing their representatives. The quality and competence of a party is proven by its performance. During an election campaign, all parties try their best to have contact with people and deliver their election programs and messages through different means. In Berlin people enjoy political rights and can make independent decisions on which party and candidate will act in their best interest. There is

no compulsory participation in elections. Elections are carried out in accordance with the election laws, and there are free and fair elections.

In contrast to Berlin, voting participation in Hanoi in elections for local representatives is neither competitive nor independent. The election of the Local People's Councils at the three levels in Hanoi, however, are implemented according to the laws of the Election of People's Councils and the laws of the Fatherland Front.

People have little choice but to choose the approved candidates. Since voters set no expectations for the elections, who is elected will not change the situation. In Vietnam elections can be understood simply as a declaration of Communist party legitimacy in the polity. Since it is the only party in the polity, the party tries to secure its legitimacy through the high turnout rate of the election. Elections of the People's Council in Hanoi are far from being free and fair in real terms of democracy. The formality of the election is ensured by laws. The election machinery and its officials operate according to formal rules (Koh, 2006, p.111).

4.5.3 Non-Voting Participation

Participation initiatives organised by the government are among many methods to involve normal citizens in public policy. The participation forums, organised by the government, range from persuasion, mobilization, consultation, participation, and collaboration to self-management (World Bank, 2003, p.23):

Persuasion: local government keeps residents informed to gain support, but citizens do not have any real input or power.

Mobilization: local government involves people by having them contribute labour or funds to supplement government resources. This helps to increase the sense of responsibility of citizens.

Consultation: citizens are invited to provide better information for decision-makers. Their views might or might not be taken into account.

Participation: citizens can contribute ideas and share responsibilities of the outcomes, but politicians and official have more influence.

Collaboration: citizens and governments work with each other to set goals and to implement them. It can be named partnership, joint action or co-production.

Self-management: citizens make decisions and carry full responsibility.

These different forms of participation will be analysed for Hanoi and Berlin.

4.5.3.1 Grassroots Democracy Policy in Hanoi

The Grassroots Democracy Decree (GDD) is an important decree in regards to its strong influence on participation, transparency and accountability in Hanoi. The Grassroots Democracy Decree (Decree No. 29) came into effect in 1998. It was an attempt by the political bureau to respond to the problems of accountability at the local level. The problem was exposed most clearly by the Thai Binh protests against corrupt local officials in 1997.

The aim of the Grassroots Democracy policy, however, is to strengthen the mechanism of 'the Party's leadership, the State's management and the people's mastery. The policy can be summed up by the famous Vietnamese phrase "dân biết, dân bàn, dân làm, dân kiểm tra" (people know, people discuss, people do, and people supervise). The decree carefully formulates what kind of public policies and information people are allowed to know, to participate in, to discuss and to make decisions on and to do, to supervise and control (UNDP, 2006, p.2).

"People know", "people discuss" and "people do" in the concept of the GDD actually represents the three forms of participation: persuasion, mobilization and consultation.

Public meetings are a common forum for people to participate and to discuss. The People's Committee and the Fatherland Front in communities are responsible for organizing public meetings. Public meetings with different topics have drawn people's interests differently. Issues such as the use of land and the management of public land funds, planning of residential areas and plans for land compensation directly affect the local people. The Grassroots Democracy Decree regulates that people must be informed about land use planning, budgeting and other issues which affect them. Planning and budgeting including annual plans on socio-economic development, plans on economic restructuring, plans on the use of land in communities are decided and funded at levels above the ward, and in many cases also above the district. They are often decided at the city or central level. People are eager to participate to get information, but in practice such public meetings about these issues do not even occur.

Public meetings with topics such as building a civilized lifestyle, maintaining security or abolishing bad practices are issues that citizens are allowed to directly decide on and implement. These topics, however, do not appeal to many people and it is very hard to attract people to these meetings (Informant 5). Many families have sent their children to local meetings as “seat-fillers” to ensure that the family has a representative there (Nguyen Thi Thu 2005).

Consultations at different public meetings are not about gathering more ideas and information for the decision-makers. Consultation is seen as a form of persuasion, a means of receiving formal support of the people. Public meetings sometimes are held for a few “invited” citizens who are considered articulate and knowledgeable. The invited citizens are actually cadres who work in mass organisation including the Women’s Union, Veterans Association, the Association of the Elderly, and the Youth Association in the community and the heads of urban quarters. These cadres are addressed as “Dai cu tri” translated in English as “Big voters” who represent the common voters – the citizens. It is not surprising that the ideas and contributions of “big voters” do not always reflect the ideas and wishes of the people. It is very important to note, even if the “big voters” sometimes do reflect the ideas of local people, where these ideas differ from the party or government policies they do not have any power to influence, but can only agree. That is why they are often seen as “noddors” because they agree or must agree with everything that the leaders of the meeting propose (Tran Thi Thu Trang 2004).

“People do” – Mobilization seems to be the only form of participation which is seriously implemented. Citizens are called on authoritatively to contribute ten days’ labour per year to national infrastructure projects such as road-building, as well as an unlimited number of “voluntary” contributions (in labour, money or in kind) to local development projects.

Sometimes people organise payment for building or improving a small road or sewage to their house, because the government does not have any resources.

People generally are allowed to decide trivial issues related to themselves, but are obliged to participate under the mobilization of the Party and government.

“People control”- this supervision and monitoring can be carried out by individual citizens, by mass organisation, by elected People’s Councils and by the People’s Inspection Boards, management boards, and supervision boards. The supervision of the People’s Council deputies will be discussed in the next chapter.

The number of members on the People’s Inspection Boards (Ban Thanh tra Nhân dân) ranges from five to eleven. They are selected at public meetings with all or representatives of the people in the locality. All wards and communes in Hanoi now have a People’s Inspection Board. Most citizens could not name anyone on the inspection boards in their area, nor do they know the purpose of the boards, even though one of the mandates of the inspection boards is to investigate citizens’ complaints of any kind (UNDP, 2006, p.20).

Other studies found that local people are not aware of their rights and responsibilities to monitor local authorities. Moreover, they often face difficulties in doing their job (Anderson et al., 2009. p.116). It is important to bear in mind that the performance of the People Inspection Board is under the guidance of the Fatherland Front from the same level. Therefore, the real function of the People’s Inspection Board is limited and people are not motivated to take part or to show interest.

The implementation of grassroots democracy is “formalism” (hình thức). As the head of a ward’s People’s committee explained in an interview, the “so-called” Grassroots Democracy is formal, democracy does not exist (Informant 2).

4.5.3.2 Other Forms of Participation in Berlin

In comparison to those in Hanoi, Berlin and borough governments offer a wide range of activities for people to participate in, ranging from consultation and collaboration to self-management.

Consultation

“Bürgerbeteiligung” – “Citizen Participation” on urban development planning or urban land use planning has a long tradition in Berlin. Citizens participate in planning the renovation of buildings, the construction of new buildings, new roads, or changes to a road (making the road larger or smaller). The resident population affected by the changes is informed through newspapers, leaflets written by borough authorities or on public information

boards. People cannot contribute much to changing the plans because the plans are already strictly regulated by law. Nevertheless, people receive explanations about the changes to the plan as well as why their contributions could not be accepted by the borough authorities. A number of citizens take part in this kind of public meeting; which can be of up to 300 people (Marzhan report).

Another form of consultation in budgeting at the borough level in Berlin, “citizenry budget – Bürgerhaushalt” was implemented in Lichtenberg in 2007. The borough has offered three different means of response: written form, internet and public meetings, to encourage citizens’ participation in budget planning. First, the borough authority sends randomly a letter of suggestion on budgeting to 10,000 citizens in the district. For the budget in 2008, the borough received 90 suggestions and selected 40 suggestions on which people could vote. 1291 people participated in different forms of voting (Report of Lichtenberg Borough Council, 2007). This form of participation has slowly spread throughout the twelve boroughs.

The scope for involvement in budget planning is very limited because the budget at the borough level is closely regulated by law. Consultation on the budget does not allow much room for citizens to impact change on the budget, but does give citizens the opportunity to better understand how the borough uses its budget and how it can do better. It also makes citizens feel more responsible for society. If people have good ideas on budget planning, their ideas can be taken and implemented (Ms. Emmrich – the Mayor of Lichtenberg Borough)

There are other platforms offered by Berlin and borough governments for citizens to interact with authorities. Via the official website of Berlin, citizens can send emails to all senates, participate in political forums of the Chancellery of Berlin Senate, have online dialogues with some senators or join online discussions on issues concerning Berlin, etc....

All twelve boroughs have a citizens-hour that occurs once a month in different places within a district. The Mayor of a borough communicates directly with the citizens or representatives of different associations. The number of citizens participating in the meetings is unlimited. Whoever has questions and concerns just attends. Interestingly,

often only two or three citizens attend, and sometimes not even a single citizen (summarised from interviews).

At the borough assembly, there are citizen question hours. At the public meeting of the borough assembly, citizens have a certain amount of time to directly question borough authorities and borough deputies. In order to take part in this event, citizens need to register in advance, because of time limits. Inhabitants can submit their proposals or complaints and criticisms via the internet. Different committees of the borough assembly will respond to their ideas and concerns.

Collaboration

Citizen initiatives (Bürgerinitiativen) and citizen actives (Bürgeraktive) encourage individuals and associations to contribute their ideas for a better living environment. Associations play an important role in generating and implementing citizen initiatives. Citizen initiatives cover a wide range of activities in social areas, healthcare, youth work, culture and education, neighbourhood help or sports and free time.

Citizen initiatives have been supported by the Berlin government, borough authorities and sometimes by the private sector. If the proposals are appropriate and feasible, they might be granted financial support. The implementation of projects is controlled to make sure that public money is used for the right purpose.

Citizen actives include different activities. For instance, there is a citizen action portal (Bürgeraktiv Portal) on Berlin's official website. The portal offers information on the various activities of voluntary citizen involvement and a database of Berlin associations, foundations and initiatives. People are able to find information in a district according to target groups or subject. Interested citizens can find information about the current status of a project and how to join. Almost every fourth Berliner is an active volunteer. There are 1001 application fields for voluntary involvement.

Another form of participation is provided by "Quarter Management"- "Quartiersmanagement". The program has been in place in the Mitte borough since 1999 under the Federal/Berlin state program "Social City". The "Social City" focuses on regions – or quarters with special development requirements such as persistent problems in

economics, social issues, related to ethnicity, etc. The strategic action areas of quarter management concentrate on special development requirement areas to create more opportunities on the labour market, more upgrade training, better quality of living, better public health, better security, higher acceptance and supporting social structure, more participation of the inhabitants, etc. (Quartiersmanagement, Berlin)

The special character of quarter management teams is that participation of the inhabitants is carried out by the quarter's council. The quarter council is elected by inhabitants who participate in the events. The quarter council consists of 15 to 30 people. They represent the people in the quarter and help to identify the problems and the potentials of its residential area (Meise, 2006, p.12). The quarter council represents the inhabitants in the project area. They are elected only by the people who participate in the event and not by all of the inhabitants. This form of participation can be seen as a "marketplace democracy". This means that the citizen, who is there, seizes the opportunity and raises his/her hand to vote, thus helping to make decisions (ibid. p.43).

The implementation of quarter management in Mitte is considered a good model for other projects. The borough Mitte in 2005 had five quarter management projects. Currently, in Berlin, there are 33 quarter management projects (Quartiersmanagement, Berlin).

In the course of interviews, various borough officials and deputies emphasized their belief that certain forms of citizen participation should not be overvalued. According to many interviewees, the main problem is that at many open forums, they often see the same faces and hear the same stories. There are many instances in which individuals appear to speak for the sake of public and community interests, but often it is more about personal problems and interests. Secondly, encouraging a larger number of citizens to participate is not easy. It is important to bear in mind that citizens must participate willingly and not be forced. Effective participation needs time - time for mistakes and time to learn from mistakes.

In summary, within the two levels of the Berlin government administration there has been an attempt to offer diverse ways to enhance citizen engagement. Citizen participation is not a new movement in Germany or in Berlin. Citizen initiatives began in Germany in the 1970s. Society, however, constantly changes with new challenges such as demography, unemployment, immigrant, etc. These problems cannot be solved solely by the

government. Berlin and the borough governments have attempted to create more opportunities for citizen participation. Participating initiatives range from top-down strategies like citizen budgets and city planning, to bottom-up strategies such as quarter management projects and citizen initiatives. Even in formal situations, Berlin citizens still have the chance to contribute ideas. The Berlin government has supported individuals, associations, and groups not only in the development of ideas for a better society, but also in the implementation of them. In Berlin, there is no “compulsory” voluntary participation, or the filling in an empty place or following ideas already set by the government. Whether Berliners participate or not, is all done completely of their own will.

In contrast to Berlin, there is no serious intent to make or allow citizens to participate in the direction of plurality in Hanoi. The different participatory forms of “Grassroots Democracy” have been and remain a state-focused concern. There has been an effort to create channels for people to participate, but it has been very formal. As mentioned previously, “people know” as the first requirement for participation has not been achieved. It is said that the Grassroots Democracy policy enhances direct democracy at the grassroots level. The word “grassroots”, however refers to the lowest levels of the apparatus, not to communities (Fforde, 2011, p.169, 171). This is a superficial change in the form of participation but there is no change in the meaning of participation. There is no real focus to develop community-based engagement, empowerment or a right-based approach. The different forms of participation in the Grassroots Democracy are actually consistent with formal Vietnamese politics. It still exhibits Leninist characteristics (Fforde, 2011, p.169, 171). The Grassroots Democracy has a strong element of “centralism”. The right to participate and to inform citizens is well structured at the administrative level. The participation of people still follows the principle of centralism. In Vietnam, democratic-centralism fosters unity and consensus in policy formation and implementation. Lower administrative levels and people may be consulted and encouraged to participate in the formulation of policies, but in the end it boils down to “the part submitting to the whole, the minority yielding to the majority, lower ranks obeying upper ranks and localities obeying the centre” (Marr, 1994, in Zingerli, 2004, p.55). The mass organisation has been organised in parallel with the Vietnamese administrative structure. The participation of mass organisation in elections and the implementation of Grassroots Democracy again ensure democratic-centralism.

Participation in the sense of diversity of opinions and ideas is not the aim of the decree. The decree is used as a way for the party and the government to reduce the number of rural protests and public complaints, to ease the anger of the people, and to see if confidence in the CPV and government can be restored. The decree tries to restore the confidence of the people in a more transparent and open local authority because it creates the necessary conditions for the party to retain its singular role in politics (Nørlund et al., 2006, p.8).

4.5.4 Other Forms of Participation – Association

Another important form of participation is joining associations. By joining associations, individuals have a chance to express their views and affect public policy without directly interacting with state organisation and political parties. Membership of associations helps to foster civic spirit and enhance democratic participation.

4.5.4.1 Different Forms of Association

In Vietnam, the term association implies various kinds of political organisation, socio-political organisation, economic organisation, social organisation and socio-professional organisation, social funds and charitable funds.

In Germany, associations exist and operate much more widely. An association is classified according to spheres of activity in five areas: (i) work and economy (Bundesverband der Deutschen Industrie...), (ii) societies and policy (Deutsches Rotes Kreuz...), (iii) free time and culture (Deutscher Fußballbund...), (iv) education and science (Deutsche Vereinigung für Politische Wissenschaft...) and (v) health and social (Lietzau, Zitzma, 2004, p.1).

Associations can also be categorized according to political influences in the political decision-making process (lobbyism). They are categorized e.g., (i) as mass organisation (e.g., Gewerkschaften - Trade unions), (ii) as interest associations (e.g., der Allgemeine Deutsche Automobil Club, ADAC - the universal German automobile club, ADAC), (iii) as business associations (e.g., Verband des Fleischerhandwerks – Associations of the butcher's craft), (iv) as occupational associations (e.g., der Verband der Flugzeugführer und Flugingenieure Cockpit - the federation of the pilots and flight engineers cockpit), (v)

as labour unions (e.g., der Deutsche Beamten Bund - the German labour union of civil servants, DBB), etc... (Schubert, Klein, 2011).

Associations are groups of individuals and organisation who join voluntarily to pursue common purposes with unity in the legal or natural form of an association. Associations in Germany are categorized into two main forms: associations (Verbände) and "incorporated associations" (eingetragener Verein or simply e. V.). The characteristic difference between the two voluntary associations is that the membership of an incorporated association is legally compulsory and regulated by association law. As judicial bodies, incorporated associations must register at the district court (Schubert, Klein, 2011)

The official data of the German society for association management (DGVM - Deutsche Gesellschaft für Verbandsmanagement e.V.) has reported about 14,000 associations and about 540,000 incorporated associations (e.V.) in Germany. The number of associations has increased annually about five percent on average. Membership in the associations is varied. (Lietzau, Zitzmann, 2004, p.19).

The German society for association management is a classic umbrella organisation. The DGVM, until the year 2007 had about 200 member associations. Only incorporated associations can be members of the DGVM. DVGM's membership is comprised of all major organisations such as occupational associations, business associations, interest associations, social associations, charity associations, corporations and chambers of commerce. The purpose of the DVGM is to represent the general goals of member associations. It serves to improve the efficiency and management of associations. It helps member associations to pursue joint concerns more effectively (DGVM Profile).

In Berlin, the opportunity to participate in an association has been guaranteed by the Basic Law and the Berlin Constitution. According to Article 9, Basic Law, all Germans shall have the right to form corporations and other associations. The right to form associations to safeguard and improve working and economic conditions shall be guaranteed to every individual and to every occupation or profession. Agreements that restrict or seek to impair this right shall be null and void; measures directed to this end shall be unlawful (Basic Law, Article 9).

Article 27 of the Berlin Constitution ensures the right to form associations, partnerships and corporations. Associations may not pursue any purposes or take any measures through which the fulfilment of duties by constitutional organs and administrative bodies operating under public law is endangered (Berlin Constitution, Article 27.1).

In Hanoi people also enjoy the right to “form associations” in accordance with the provisions of the law (The Constitutions 1992, Article 69). Nevertheless, the related regulations have created a total different picture of association in Hanoi.

In Vietnam, the Vietnamese Communist Party (CPV), the Vietnamese People’s Military Force and all associations are members of an umbrella organisation called the Vietnamese Fatherland Front. The organisation in the Fatherland Front are generally categorized into two groups: (i) organisation with the countrywide mass of memberships called mass organisation; (ii) associations including professional, religious, charitable and special interest groups called civic associations. They all have distinct membership and organisational characteristics; therefore they also have different impacts on public policy (Sakata, 2006, p.53).

Mass organisations belong to the Vietnam Fatherland Front and constitute the political base for the people's power (The Constitutions, Article 9). The Vietnam Fatherland Front “is a part of the political system of the Socialist Republic of Vietnam under the leadership of the Communist Party of Vietnam, a political platform for people expressing the people's will and aspirations” (The Law of the Fatherland Front, Article 1).

There are two main legal documents on forming “associations” – the 1957 Resolution on Association, 102-SL/L-004, dated 20/5/1957 and the Government decree Nor. 88/2003/ND-CP on organisation, activities and the management of associations. These decrees administer the member organisation under the Fatherland Front.

A detailed regulation on organisational structures, activities and management of associations was adopted in 2003 with the decree 88/2003/ND-CP. This decree is not applicable to the five mass organisations (Article 1). Government decree Nor. 88/2003/ND-CP has regulated a tight state management of associations. Public agencies are authorized to establish, split, merge, unite, or dissolve an association (Article 15 of the

decree). Associations are “managed” by either the Ministry of Home Affairs (for national associations) or the Provincial People’s Committee (for provincial associations) and the corresponding line ministry. In some cases, there may even be more than one line ministry involved. The public agencies are also authorized to approve the working regulations of an association.

By 2006 the Law of Association had gone through its ninth draft, the first draft having been started in 1993. After more than twelve years the National Assembly was unable to pass the law. Associations which are outside the State machinery and fulfil “association” criteria such as: operating on voluntary basis by members, without profit-oriented objectives, but in the interest of the members and of the public, are still being discussed.

The five mass organisations are the Labour Union, Farmers’ Association, Women’s Union, Youth Union and Veterans’ Association. Each of these mass organisations has a monopoly to represent its specific social sector.

Civic associations in Vietnam can be categorized into two groups: i) organisation that serve the interests of a specific group of people or specific professions (e.g. Association for the Blind, Journalist Associations, Buddhist Association etc.) and ii) organisation aiming to promote and improve academic and scientific knowledge (e.g. Union of Science and Technology Association, Union of Literature and Art Association, etc.) (Sakata, 2006, p.53). Many small affiliated organisations are registered under these two groups. Civic associations including the Hanoi Union of Arts and Literature Association, Hanoi Friendship Organisation, Hanoi Union of Science and Technology Associations, Hanoi Union of co-operatives, Hanoi Red Cross, Association of the Blind, Hanoi Lawyer Association, Hanoi Journalist Association, Association of Oriental Medicines, and Hanoi Farmer Association are directly under the Hanoi Fatherland Front. These associations belong at the same time to the Hanoi People’s Committee. Some professional associations such as the journalists, writers, and lawyers associations, however, are strictly under the guidance of the government. The heads and deputy heads of these associations receive their salaries from the state budget.

4.5.4.2 Memberships

The Fatherland Front has forty member organisations with a wide range of functions, memberships, and financial resources. The mass organisation claimed large national

memberships involving millions of citizens. For instance, the Vietnamese Women's Union, has 11.4 million members; the Ho Chi Minh Communist Youth Union has 4 million members and the Farmworkers' Union has some five million members (Nørlund, 2007, p.76) (Thayer, 2009, p.3). Memberships in all the formal organisations in Vietnam are voluntary at least on face value. This is not necessarily true in practice.

The two obvious examples of mass organisation are the Vietnam Labour Union and the Vietnamese Women's Union. Employees of Party or government agencies or state-owned enterprises become members of the Labour Union automatically. The Vietnamese Women's Federation does not recruit individual members. Women who work in the public sector automatically belong to the Women's Union and they are required to join all activities called upon by the Union. In that sense, they can hardly be called "voluntary" associations.

A small number of people join mass organisation and actively participate because being a member of organisation such as the Ho Chi Minh Youth League offers a short cut to becoming a Party member or positively influences their professional careers. Being actively involved in mass organisation is associated with advantages in political advancement or even material gain. However, it may seem irrelevant to members who are less politically ambitious.

Membership in associations in Berlin is voluntary. People who share common values, ideas or material interests voluntarily join an association to pursue a common purpose. Associations can have a small number of members who join simply to do things the way they want. But there are also associations such as the universal German automobile club (*der Allgemeine Deutsche Automobil Club, ADAC*) with 17 million members in 2010 and the German Sport Federation with 6.3 million members (Lietzau, Zitzmann, 2011, p.19). When an association appeals to many people, it means the association has met the demands and interests of that clientele. In Germany, there is no mechanism that would force a person without being asked, to automatically and inevitably become a member of any associations.

4.5.4.3 Financial Resources and Autonomy

In Germany, every association has its own organisational structure and a wide range of financial resources. Associations can be financed by their members and sponsors.

Sponsors could be individuals, private companies or the state. In many cases, financial support from the state is the most important source for associations. It does not mean that these associations operate under the instructions and controls of the state. It would be the same in the case of individuals or private companies that are sponsors. Above all, associations serve a common purpose shared by their members.

Whether the people who work in an association are doing it voluntarily without payment or are employed depends on the type of association (natural or juristic person).

In Hanoi, mass organisations are managed according to administrative or work units. They are structured in four layers from the central to provincial, district, and commune levels. Moreover, the cadres of mass-organisation, from the central down to the district levels, have public servant status. At the community level, there are five cadres working for the community: Fatherland Front, Peasants' Union, Women's Union, Youth Union and Veteran's Association. They all receive allowances from the budget of the community's People's Committee.

In terms of financial and human resources, mass organisations in Hanoi are in fact government organisation. The main expenditures for mass organisation activities are usually regulated by the budgets of the People's Committees at each administrative level. Mass organisations are mobilized under Party and government direction.

Affiliate organisation of civic associations which are members of the Fatherland Front might get financial support from sources other than the state. They do business with and call for the support of foreign donors. Some of the affiliate members of associations are financially self-sufficient. These professional and charitable associations actually operate with greater freedom, because the control of the Fatherland Front on their activities is formal.

In Hanoi, all associations have the right to provide consultancy and criticism on matters within the scope of the association. They have also the right to detect corruption and to report to competent agencies, organisation and individuals. Many associations are actually involved in monitoring the government. Vietnamese associations' advice and criticism of the public works they oversee, however, are not always considered by the authorities. Many associations lack the information needed to work well because often the government agencies do not provide clear information (Anderson, et al., 2009, p. 113, 114).

With high memberships, financial and organisational capacity, associations can play a very important role in policy processes. In Berlin, associations can influence public policy from agenda setting and policy formulation to policy implementation and evaluation. Associations have different channels to influence political decisions such as via parliaments, ministries and parties. At the federal level, the number of registered associations and their representatives as lobbyists is 2044 (Bundestag official website, 2006). At the Berlin State level, however, there is no information on associations registered as lobbyists in the Berlin House of Representatives. According to the databases of associations, the total number of associations involved in citizen initiatives is 950 (Berlin official website, 2006). The influence of associations in different policy areas at the different levels of government varies. At the district level in Berlin, associations are involved in policy implementation rather than policy formulation. A number of associations are key actors in starting or implementing different citizen initiatives.

The nature and organisation of associations in Berlin is completely different from those in Vietnam. In Berlin, associations play an intermediary role between individuals and a complex society and between individuals and the state. Associations are a real channel for people to achieve their interests and to take part in political activities without being a member of a political party. There is a wide range of associations, from those that can have a critical role in political decisions to one that provides a place for people to simply do things the way they want, or help themselves. Associations in Berlin have not only brought diversity to society but also acted as a critical instrument to create a civil society.

Mass organisations in the three levels of Hanoi local government effectively convey decisions and instructions made at the central level and at Hanoi's local government level to the people. They play a vital role in the implementation of party and government policies. The main task of mass organisation is actually to provide explanations for government policies and persuade people to implement those policies. The mass organisation have also involved many different "movements" (phong trao) guided by the CPV or the government aiming to nurture people's spirit, to support specific programs or issues, e.g. good citizens, mutual cooperation, "cultural family", etc. Mass organisations have contributed significantly to poverty alleviation (Pedersen, 2001; Harper, 1996; Gray, 1999 in Khanh Tran-Thanh, 2003, p.21). The mass organisations are the vital connections between the Party and the masses. Mass organisations speak on behalf of the people in

localities. They are the most important vehicles for the majority of Vietnamese to express their concerns.

From decision-making to implementation, the participation of citizens in Hanoi is under the close guidance of the Party via its mass organisation. Memberships of mass organisation are similarly mobilized under government direction. Association involvement per se does not significantly increase social connectedness and social cohesion beyond the confines of the Party and the government. Mass organisations create chances for people to be involved in public work, but they do so to fulfil policy objectives already set by the Party and government rather than to really bring diversity.

Even though the number of civic associations in Hanoi has increased², they are almost all disengaged from political activities (public consultations, policy formulation...).

In 2007, the Institute of Development Studies established by famous Vietnamese scientists and economists became the first independent institute in Vietnam to study public policy (Nguyen Quang A, 2008). The Prime Minister passed the Decision 97/2009/QĐ-TTg on 24 July 2009. This defined the fields in which independent individuals would be allowed to establish scientist and technology institute. The study of public policy was not included in this list, and the institute was dissolved immediately, after two years in operation (BBC, 2009). Criticisms of the Party and the state are now required to be submitted to the government in confidence, and not made public without permission (Anderson et al., 2009, p.116).

In summary, limited participation in associations in Hanoi and Berlin is actually the result of the implementation-related formal laws and regulations in each city. Pluralism assumes that diversity and differences in society are accepted and needed. In Berlin, different associations are able to influence the public policy cycle from agenda setting to policy

² The procedures for establishing an association in decree of association 2003 are cumbersome and time-consuming. To establish an association, one needs to go through many steps which overall take at least six months to be approved. The criteria for the acceptance or rejection of associations are not transparent (Anderson et al., 2009, p.115). Despite that, after the issuance of the decree on associations in 2003, the number of associations established has dramatically increased, especially at the provincial level. In 2002, there were 240 national and 1450 provincial associations; in 2006 it had increased to 350 national and 2500 provincial associations (Anderson et al., 2009, p.113).

formulation, policy implementation and evaluation. In Vietnam, the long gestation period of the Law on Associations indicates that uncertainty still exists in the party over what constitutes a real “civil society”, “civil society organisation”, what the activities of these organisation should be and how the state can manage these organisation (Nølund et al 2006, p.8). As the Party monopolizes all the legitimate channels for articulating and aggregating citizens’ interest, it is not feasible for any association other than the mass organisations to influence government policy-making. Civic associations have not yet formed a strong bridge between citizens and the state (Nørlund et al., 2006, p.7). Association involvement neither fosters civic spirit nor enhances participatory democracy.

Associations with their various degrees of formality, autonomy and power created civil societies. The criteria of a civil society organisation are: non-state and non-market, voluntary organisations, self-management, self-finance and non-profit organisations (Nørlund, 2007, p.75). Associations which really meet the criteria of the civil organisation are very few in Vietnam and the mass organisations cannot qualify as part of civil society (Nørlund, 2007, p.75). A civil society organisation in the real sense will create a public sphere, which will challenge Vietnam’s mono-organisational system and finally the leading role of the CPV as well (Thayer, 2009, p.10). That’s why, the Law of Association cannot be passed. Following the model of a one-party state, in Hanoi, there is no real freedom of political expression, freedom of speech, or freedom of the press. All formal regulations related to participation (from the Law of People’s Council Election to the Grassroots Democracy, or other regulations or laws not able to be passed) follow the centralism democratic principle to make sure that the mono role of the Communist Party in politics will not be challenged.

4.5.5 Influence of Institutions on Participation

Grounded in different ideologies, the formal regulations in Hanoi and Berlin have set the level of transparency and participation in each of the cities.

In Berlin, all formal regulations related to different forms of participation follow the pluralism principle. In Hanoi, there is no participation in terms of enhancing civic spirit or real participatory democracy, because first and foremost, Vietnam’s polity is characterized by its one-party political system.

Perception and practice related to values such as democracy are very different in the two cities. Besides pluralism vs. centralism democracy, the cultural dimensions such as

individualism vs. collectivism of the two countries strongly influence the level of participation in Hanoi and Berlin.

Civic participation in Berlin has been well implemented since modern democratic values in Germany were built after a long and tragic history. The autocratic Prussian society under the governance of the minister president applied minimally the rule of democracy. After the fall of the newly-established Weimar Republic, Germany experienced the most catastrophic period of its history - the Nazi period. After the Second World War and under the influence of the Allies in the 1950s, building a capitalist state with a parliamentary democratic tradition was the first priority in West Germany, while East Germany became a socialist state dominated by single party – Sozialistische Einheitspartei Deutschlands – SED (Socialist Unity Party of Germany). After unification in 1989, the value of democracy was strongly supported in all of Germany. In a survey on the values of democracy carried out in 1991 and in 1997, 86 percent of West Germans, and 70 percent of East Germans believed that democracy is the best form of government, more than 80 percent of both East and West Germany believed that democracy is better than any other form of government. (Institute for Opinion Research Allensbach, 1991, FORSA, 1997 in Fuchs, 1998, p.20)

In Berlin, the formal institutions have ensured the right of citizens to participate. The values of subsidiarity, individualism and pluralism have a positive influence on participation. People join different associations in order to unite with others who have the same interests and desires and work towards their realization. Differences amongst individuals are accepted in society. In Berlin, people have no reason to be worried that others might laugh at them because of their different ideas; or to be scared that their differences can cause trouble for them or their families later. People have different interests and motivations for participation, but people are free to choose to participate or not to participate.

In Hanoi, the important Confucian values of family, hierarchy, authority, and harmony strongly influence participation under the leadership of the Party. The well-organised society divides people into different classes. Confucians appreciate harmony in family and in society. In order to achieve this, everyone must accept and fulfil his/her duties according to his/her position.

The establishment of a harmonic and well-organised society is the first priority of Confucian tradition. Virtuous behaviour is defined as when one fulfils his/her obligations in accordance with his/her position in his/her family as well as in society. "Every man in his place" means that every individual is expected to interact with others according to his/her position. "Let the ruler be a ruler and the subject be a subject; let the father be a father and the son be a son" (Lunyu 12.11 in Riegel 2013). Confucius distinguished the five basic relationships: ruler - subject, father - son, older brother - younger brother, husband - wife and senior friend - junior friend.

Social harmony results from every individual knowing his or her place in the social order and playing his or her part well. It is perceived that "if each individual acted in accordance with his or her station, the family would be orderly, and when the family is orderly, the state would be peaceful and all would be harmonious under Heaven" (Guo, 2003, p.109). Confucians believe that proper behaviour in the family has important implications for virtue in everyday social life and respect for politics. Virtuous behaviour in the family is that the younger must obey the older. Obedience is very critical to maintaining the right order that brings peace and harmony in families and then in society. The main guidelines for action are: to continue, to imitate, and not to change (Quang Dam, 1999, p.181). Children should learn to restrain themselves, to overcome their individuality so as to maintain harmony in the family (if only on the surface; one's thoughts remain free) (Hofstede, 2005, p.209).

The important Confucian values of family, authority, and harmony are used by the Party. The Party is in the position of the rulers, and the people should follow the Party lines. Vietnamese society is characterized by the less powerful members accepting and expecting power to be distributed unequally. In the centrally-planned economy, the state created a hierarchical society. Based on the criteria established by the state, people in society were divided into different categories by their ranking and the provision of material and spiritual materials. People are expected to act in accordance with their position. The system was well described by Nguyen Minh Thanh. "we had a government of the people, by the people and for the people in that sense, meaning it takes care of everything and arranges for everything which the people should not or are not allowed to take care of. Whatever the people wanted, the people had to ask the state....." (Nguyen Minh Thanh, 2006)

The concept of the total state model is diametrically opposed to the concepts of subsidiarity and individualism which are based on the belief that each individual has the power, ability and creativity to take care of him/her self. In the total state model under the leadership of the Party, an individual is less independent than a member of a collective association. Besides being a member of a family, they are members of a number of mass organisations, and other kinds of collective organisations. People are expected to follow the guidance of the state directly through these collective associations

In the transition to a market economy, the CPV is convinced that their position of sole dominancy in Vietnam's politico-administrative system cannot be challenged. In order to achieve economic development, Vietnam needs a stable political environment. This stability can only be reached through obedience, consensus, and harmony in society. To some extent, the Party advocates traditional values of Confucianism, because it helps the Party to achieve its objectives. Participation is still seen as the way to express consensus and harmony; therefore, people remain reserved in their contributions. Moreover, the Communist Party is very careful in all policy and program debates that might threaten the position of the Party. A few people who campaign for democracy or criticize the Party and government, are accused of "abusing democratic freedoms" and are put in jail. The Party has been known to punish campaigners for democracy very heavily, in order to warn and intimidate others. This kind of preventive method called "to kill a chicken in order to scare a monkey" has been often used by the Communist Party. Family plays an important role for everyone, people try their best to avoid negative consequences for themselves and their families, and therefore most do not want to challenge the Party (Koh, 2000, p.58).

In Hanoi, keeping face (or try not to make others lose their face, or try to save others' face) is one of the important features in Confucian culture. Keeping face is one reason people are very cautious about becoming involved in public participation. People are careful and often quiet in public meetings because many of them are afraid of losing face, losing harmony or offending public officials or others when they have different ideas. It helps to maintain harmony, avoid conflicts and ultimately preserves relationships. With the Party holding tight control of society, people are passive participants because they want to avoid unnecessary trouble, keeping good relationships with the authorities and being left in peace to fight for a better material life. "People do not want to participate, because they are busy earning a living or earning money" (Informant 2). Most people rather like to work

around the system to achieve results on their own benefit, or at least to live in peace (Koh, 2000, p.58).

During the long history of Hanoi, people have never actually had a chance to live under a liberal democratic system. From feudalist society, under the colonies of France till now, Hanoi's citizens have not experienced meaningful political participation based on stable, autonomous institutions because all the legitimate channels of interest articulation and aggregation are controlled by the Party. Everything is actually decided by the Party and government and participation of citizens in a direct or indirect democracy is just a formality to legitimize Party and government decisions. People participate under the guidance of the Party via its mass organisations because it is their role, and the only way they can.

The formal institutions in the centrally-planned economy and Confucian values strongly influence shaping the perceptions, values and habits of participation in Hanoi. More than 80 percent of the foreign experts in the survey agree (from somewhat agreed to agreed) that the Vietnamese are not willing to express their ideas openly. Interestingly, more than 50 percent do not agree that the Vietnamese have no interest in politics.

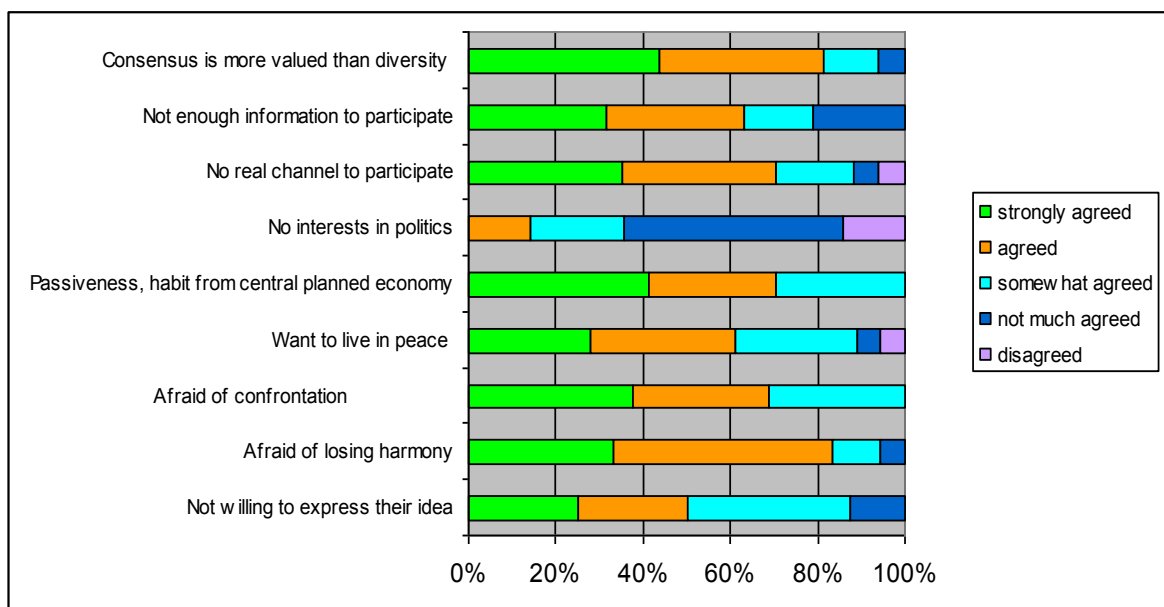


Diagram 9: Important Reasons for Low Level of Participation in Hanoi

(Source: Own diagram based on the answers to the Questionnaire administered to Foreign Experts working in Vietnam)

According to survey responses, the important reasons for low levels of participation in Hanoi are not enough information to participate (80 percent agreement) no real channel to participate (more than 80 percent). These reasons relate directly to the formal institutions of participation in Hanoi.

Almost 90 percent of the foreign experts agreed that consensus is valued more than diversity in Vietnam. 100 percent of the foreign experts responded that passiveness, the effect of a centrally-planned economy and the fear of confrontation are important reasons for the low level of participation. More than 90 percent of the experts participating in the survey agreed that the fear of losing harmony and the desire to live in peace are the primary reasons people do not want to express their ideas or to participate in politics (See Diagram 9).

In German society, differences amongst individuals and different ideas are well accepted and expected. People join different associations in order to be together with others who have the same interests and desires and work towards the realization of them. In Berlin, people have no reason to be worried that others might laugh at them because of their different ideas; or to be scared that their differences can cause trouble for them or their families later. In Berlin, people are free to choose whether or not to participate. Participation of citizens in different initiatives provided by the government reflects their civic spirit.

In Germany with the high level of development, most German people have overcome the level of basic needs (Maslow hierarchy of human needs). Being rich is not highly-valued or an objective of all people in German society. More and more German people reach the higher need levels such as esteem needs and needs for self-actualization. The top of Maslow's hierarchy is taken by the motive of self-actualization: realizing to the fullest possible extent the creative potential present within the individual (Hofstede, 2005, p.108). To fulfil the higher needs such as esteem and self-actualization, participation in the different platforms offered or enabled by the Berlin government provides good opportunities.

4.6 Accountability

Local government accountability in Hanoi is examined through administrative and political accountability.

The formal institutional arrangement of local government accountability in both Hanoi and Berlin including local government structure, the relationship between different levels of government, roles and authorities, sanction mechanisms and the capacity of the local governments will be analysed.

4.6.1 Formal Institution Arrangements

4.6.1.1 Local Government Structure in Hanoi

Under the leadership of the Communist Party of Vietnam since 1954, Hanoi has undergone numerous structural changes. From 1954 to 1975, Hanoi's local government was a two-level system: city and district (called khu pho). At each of these levels, local government consisted of People's Councils and People's Committees. Below the districts, Hanoi was divided into 185 small areas (called tieu khu). In 1975, Small Area Administrative Representation Committees were established - renamed as Small Area People's Committees in 1978. The Small Area People's Committees played an intermediary role in transmitting government policies to the people and providing feedback to the government. In the 1980 Constitution, the Small Area was replaced by the ward. Each ward has the People's Committee and the People's Council (Koh, 2004, p.205). Since then, Hanoi's local government has consisted of three layers: city, district (including rural and urban districts), and commune or ward level related to rural and urban areas respectively (hereafter called ward). While the ward remains the lowest level of the state, urban quarters and subdivisions of wards are recognized as local representative units and interact with government employees of the ward administration.

Each level of local government has its corresponding People's Council (Hội Đồng Nhân Dân), executive People's Committee (Ủy Ban Nhân Dân) and its line professional agencies. At each of the three levels of local government the people are represented by the People's Council. The People's Council selects a chairperson and vice chairperson of the People's Committee but their appointment must be approved at a higher level of government. For example, the chairperson and vice chairperson of the Hanoi People's Committee must be approved by the Prime Minister. The number of committee members

differs by level: thirteen in Hanoi City, seven or nine at district level, and five or seven for each ward.

People's Committees organise, and implement the Constitution, laws, higher level decisions and resolutions of the corresponding People's Council (Article 41, Law on organisations People's Councils and People's Committee). They are responsible for the implementation of state management locally in the fields of economy, culture, education, social welfare, sport, science and technology, national defence, and for maintaining law, order and security within their jurisdictions; forwarding budget requests to higher levels; reviewing and approving plans for socio-economic development within their delegated authority; and executing the budget.

The People's Committees at the city and district levels have professional agencies to help and advise them and to execute the tasks of local government. The People's Committee organises while its professional agencies implement the Constitutions, laws, upper level decisions and resolutions of the corresponding People's Council (Article 41, Law on organisations People's Councils and People's Committee).

The management principles of localities in Vietnam are sectoral - and territorial-based. This principle creates a system of line ministries (ministerial level), line departments (city level), and line units (district level) (See appendix 3). These agencies can be divided into three types of jurisdiction: agencies serving local objectives under People's Committees; agencies responsible for specialized tasks determined by the upper professional echelons under the central government; and agencies dealing with tasks under both the central government and People's Committee. Local specialized agencies under the central government in some areas include foreign policy, defence, security, statistics collection, national reserves, banking, and taxation (Vasavakul, 2002, p.18). This structure of professional agencies is called "double subordinations".

Under the "double subordination" structure, professional agencies are guided and supervised by the upper level of the line organisation, but these line agencies are managed by the People's Committee for personnel issues. According to local needs and budgets, as well as the assigned objectives of the upper level government, the Hanoi People's Committee determines the salary, recruitment and the promotion of professional

agencies. Staff at the district and city levels are usually appointed and promoted by the local authorities. However, the autonomy of local authorities in selecting, appointing and promoting “key persons” is limited because these decisions are made by the Party at the local and higher levels (Anderson et al., 2009, p.30).

The reform of administrative organisations includes reorganizing and redefining the tasks and functions of the ministries and agencies of the government, and local government agencies. Professional agencies at the local level are organised under the same model as the ministries at the central level. Until July 2007, there were 25 ministries and ministerial level agencies under the government at the central level. At the local level there were 25 professional departments and sections at each level of the People’s Committee (Nguyễn Đăng Dung, 2007).³

The division of tasks between the central and local governments, and between the different local government levels follows the principle of de-concentration. One task is implemented at all four levels of government. The upper level is in charge of the larger and higher exposure parts. Because they are under the guidance of the upper echelons, the lower echelons have only a modest level of independence. At the central government level, many ministries tend to compete and are involved in easy, beneficial tasks, projects and programs, avoiding the more difficult tasks, less promising incomes and funding (Bui, 2000, p.10). Consequently, the allocation of tasks between the ministries at the central level overlaps or is unclear, while at the same time, there are some areas without any management from any ministry. 27 allocated tasks overlap along with 57 unclear tasks and

³ Between 1970 and 1987, the size of the administrative apparatus reached its highest level. In 1981, there were 57 government units with 33 ministries and ministerial-level agencies and 24 agencies under the Council of Ministers. In 1987, one year after “doi moi” was officially endorsed, the number of government units totaled 54 agencies, 28 ministries, 26 ministerial-level agencies, one general department (tong cuc), 384 departments (cuc) and their equivalents, 412 bureaus (vu) and their equivalents, and 256 professional organisations. From 1992 to 1997, the number of agencies at the central level was 55 agencies, 27 ministries, and 28 ministerial-level agencies. From 1997 to 2002, the number of agencies at the central level totaled 48 agencies, 23 ministries, and 25 ministerial-level agencies.

29 unreasonable tasks among the ministries (Vũ Văn Thái, 2007). These problems also exist within the line agencies at the different levels of local government in Hanoi.

4.6.1.2 Tasks and Authority of Local Government of Hanoi

In the model of “double subordinations”, the tasks and the authority of the People’s Committees and professional agencies are defined by numerous regulations from the upper level government.

For Hanoi, its local government structure and its functions can be found in these regulations. They are contained in three types of legal documents: the first is constitutions and laws relating to the organisations of the politico-administrative system of the Social Republic of Vietnam, the second is decrees and directives pertaining to different socio-economic and cultural sectors under the jurisdiction of the line ministries, and the third is resolutions of the Hanoi People’s Councils and decisions and guidance directives of the Hanoi People’s Committee. The first set of legal documents includes the 1992 Constitution and its revised clauses of 2001; Law on the Organisation of the People’s Councils and People’s Committees of 1994 (revised), replaced by the Law on the Organisation of the People’s Councils and People’s Committees of 2003, and Order on the Tasks and Authority of People’s Councils and People’s Committees no. 50-L/CTN of 3-7-1996 passed by the Standing Committee of National Assembly. The second set of legal documents consists of a wide range of ordinances and directives pertaining to the management of the economy, culture, education, health care, society, security and defence passed by the corresponding ministries. The third set passed by the Hanoi People’s Council and People’s Committee includes directives to apply the decrees and orders of the upper echelon to the specific context of Hanoi. Hanoi’s local government operates within the institutional framework set by a number of laws, decrees, and ordinances from the National Assembly, the Government and line ministries.

In Vietnam, the process of forming new laws and regulations is long. Laws are passed by the National Assembly, and are only able to be put into effect when the government issues a guidance decree. Since laws and many legal documents are often written unclearly and in generalities, the legal documents are more about explaining a point of view, persuasion and propaganda than clarifying rules and instructions. By creating ambiguity in the laws, some difficult issues are left for the lower levels to define. Sometimes, the government’s

guidance decree is not able to take effect until the directives and circulars are approved by the government and ministries. Ministries issue the implementation directive. The directives of ministries need to be clarified by local governments in order to suit local conditions (See Appendix 4). This leads to situations where guidance documents have more legal value than laws (Ngọc Hà, 2008) and creates an ambiguous relationship between the central, provincial and local governments because each produces innumerable overlapping regulations covering the same issues. One issue may be covered by regulations in different documents, making it difficult for officials to know and apply well. Furthermore, the lower level frequently passes regulations over its jurisdiction or is contrary to those at other levels.

The local government grass roots level or communal level does not have professional agencies. Professional posts from the ministries end at the district level leaving communal cadres not attached to line ministries.

Prior to 2003, all people working at the communal level including the chairperson and the vice-chairpersons were not civil servants. They did not receive salaries, only a “living expense” valued at 200.000 VND/month (from 1995) and 270.000 VND/month (from 1998). In 2003, the government passed the decree, which recognizes the chair person, the vice chairpersons of the People’s Committee, and six cadres at the communal level as civil servants. These six cadres are in charge of (i) finance and accounting, (ii) residence registration and justice; (iii) land and housing; (iv) culture and information; (v) office and statistics; (vi) order and construction.

This research focused on the actions of local governments in the field of social and administrative services. How government structure relates to different social and administrative services is addressed below.

The granting of different permits such as building permits, permits to establish private schools or private clinics is the responsibility of the city. Districts issue building permits for private houses and business permits for small businesses.

The communes are responsible for registering births, deaths, and marriages, certifying marital status, certifying signatures, certifying curriculum vitae, certifying permanent

resident registrations, certifying the application for building permits for private houses as well as the application for certification of house property and land use rights (Le Chi Mai, 2004, p. 254, p. 275).

The management of higher education including training colleges, vocational schools, high schools, and continuing education schools, is in the hands of the Hanoi People's Committee and the Hanoi Department of Education and Training. They ensure that teaching standards, the administration of students' examinations, and the issuance of diplomas are implemented according to the law. They carry out educational inspections based on the Ministry of Education and Training's guidelines (Fforde, 2003, p.15). The management of basic education, which consists of primary and secondary schools, kindergarten and preschool classes, is held by the District People's Committees and the Department of Education and Training. They implement the policy of socialization of education within the territory of the district, illiteracy eradication and other regulations pertaining to teachers and examinations (Fforde, 2003, p.15). Teachers are public servants managed by the state management authorities. They have to use the curriculum and textbooks strictly defined by the state.

Health services in Hanoi are organised on three levels. The Hanoi Health Bureau, which follows the Ministry of Health policies and guidance, has professional units in Hanoi's local government under the Hanoi People's Committees. The Hanoi Health Bureau is in charge of health management in Hanoi including preparing strategic and annual plans on health care development with guidance from the upper levels, issuing rules on health exams and private operation certificates in its jurisdiction.

Below the Hanoi Health Bureau are district health centres serving the population of their respective districts. The 14 district health centres have control of health management in the district. The third level - or the Basic Health Network, commune health centres, is responsible for providing primary health care - mainly preventive services. They implement national health programs, such as maternal and child health and family planning, and immunization.

4.6.1.3 Local Government Structure in Berlin

The German federal system has traditionally had two levels made up of the federal level and the Länder (federal States). Constitutionally speaking, the local government level does not constitute an independent (“third”) layer of the federal system, but is constitutionally regarded as being an integral part of the Länder.

In the constitution, Berlin is defined as a "unitary municipality" (Einheitsgemeinde). Berlin's administration consists of two levels: the main administration and the borough administration. The city and state governments of Berlin consist of the legislative body called the House of Representatives (Abgeordnetenhaus) and the executive body named the Senate of Berlin (Senate von Berlin). The Senate of Berlin includes the governing Mayor (Regierender Bürgermeister) and Senators holding ministerial positions. One of the Senators holds the official title, "Mayor" (Bürgermeister), as deputy to the governing Mayor. Through constitutional reform in 1995, the number of senators was reduced from a maximum of 18 to 10 and since 1998, there have been only eight senators.

The boroughs constitute the second layer of Berlin administration. There are two directly-elected tiers of government in Berlin. As well as the House of Representatives of the Berlin State, each borough has a borough assembly (Bezirksverordnetenversammlung - BVV). The BVV consists of 55 borough representatives directly elected by the people.

In Berlin, the borough assemblies do not enjoy equal political rank with the independent municipalities in the sense of “self-administration” defined in Article 28. Borough assemblies are legally-subordinated administrative units, due to the status of Berlin as a unitary community. Borough parliaments also do not have legislative power. Borough assemblies exercise parliamentary functions mainly in the election of borough administrative councils as well as control, co-determination and public hearings.

Along with the borough assembly, a collegial body composed of the borough mayor and several councillors runs the administration (a “Bezirksamt”, or borough authority) (Stetter, Wiesch, 2005, p.246). The borough authority (“Bezirksamt”), the administrative authority for the borough, follows a system of proportional representation. This means the borough authority consists of a number of councillors (Stadträte) based on the relative strength of their parliamentary parties in the BVV.

4.6.1.4 Roles and Authorities at the Borough Levels

The distribution of responsibility at the two levels: the main administration and borough administration is laid down in the state constitution. The distribution of functions is regulated in detail by the General Competence Act (“Allgemeines Zuständigkeitsgesetz” - AZG).

The Senate – through the different Ministry Administrations (also referred to as the “main administration”) – exercises the functions affecting the city as a whole. These include, specifically, managerial functions (planning, issues of fundamental importance, control, and supervision), the administration of the police, judicial and tax systems as well as a few other functions that, due to their unique character, need to be exercised directly by the government. Individual functions can be delegated to one or more boroughs. The borough administration takes on all other tasks (General Competence Act - Allgemeines Zuständigkeitsgesetz- §3 AZG).

The borough authority is the administrative authority of the district. It has its own Rule of Procedures (Geschäftsordnung). Borough authorities are the representatives of the state of Berlin in affairs of the district. The borough authority executes the decisions of the borough parliament.

The scope of activity is distributed amongst the members of the borough authority. According to §2 of the Administrative Reform Law, the district authority is made up of no more than fifteen service and responsibility centres (offices), no more than six service units, the control service and the legal office. Service and responsibility offices assigned in the borough include:

- Civil services (including civil offices)
- Youth
- Health
- Social
- Education, school, culture
- Economy
- Habitation
- Planning, evaluation
- Construction

- Environment, ecology
- Order (Ordnung)

(Bezirksverwaltungsgesetz, §38)

Among the core competences of the districts are child and youth policy, social services, community cultural work, school and pre-school planning, operation of the school locations, policy for the elderly, care of the handicapped, local ordering functions, control over businesses, and construction and evaluation tasks (Krüger, 2006, p.14). The duties of the borough can be divided into local and delegated tasks. The local tasks mentioned above include voluntary tasks (such as community cultural work, maintaining museums, sports facilities, swimming pools, and parks) and obligatory tasks (social services, youth welfare, planning...). The delegated tasks are assigned to boroughs by federal or Berlin legislation. These include building regulations, passports, citizen registration and public order.

Regarding education, the Berlin state sets the curricula, the course schedules, course guidelines, and examination regulations. Teachers have to meet the requirements of education quality, but they enjoy pedagogical freedom. They are free to choose their own text books and training methods (Schümer, 1999, p 21, 22).

The Basic law (Article 7, § 1), in conjunction with other articles concerned with citizens' fundamental rights requires that the state protects the citizens' right to education, free development of personality, free choice of educational institutions and free access to them, as well as the right to participate in educational decision-making (Schümer, 1999, p.21).

This state control applies not only to public but also to private educational institutions (Schümer, 1999, p.23). The state determines class size and classroom size, teaching loads and load reductions, testing conditions, extracurricular activities, and so forth. They also provide various recommendations on best practices and cooperation in schools with legally binding directives. The state control of the school system is carried out by school inspectorates, responsible either for the various parts of the Land or the local school districts (Schümer, 1999, p.22).

Health care services in Berlin with its health insurance system allows patients access to services based on their payments or contractual agreements with health insurance companies which can be either public or private. Until the end of 2004, there were 770 physicians employed by polyclinics (public right organisations) (Ärzttekammer, 2005) out of 17,867 physicians in Berlin.

When the boroughs act on behalf of their own jurisdiction, they are bound by a number of regulations, primarily because they have almost no law-making power (an exception is building law). In legal terms, their actions are controlled by federal and state laws or statutory instruments issued on the basis of such bylaws (e.g. the Noise Protection Ordinance or the Market Ordinance). From an administrative point of view, they are also limited by principles and general administrative regulations imposed by the Ministries. The Ministries are expected to limit their regulatory activity to essential matters and to coordinate their work with the boroughs (Stetter, Wiesch, 2005, p.247). The boroughs act on the principle of self-government when performing their functions. They remain organisationally-bound within the state and are administrative organs of the state of Berlin (Stetter, Wiesch, 2005, p.246). The autonomous self-government of the boroughs, however, should not be underestimated.

4.6.1.5 Sanction Mechanisms

When local officials do not fulfil their obligations or duties as required, formal regulations that define the consequences of such inaction or inappropriate actions must be instituted and followed.

In Hanoi, the People's Committee and the heads of professional agencies may impose sanctions against civil servants and cadres, who violate laws and regulations that are not serious enough to send them to court. The forms of discipline range from reprimands through warnings, decreased salary, lowering the rank of a civil servant in personnel classification scales, and/or relieving him/her of his/her duties to actual dismissal (The Ordinance on civil servants and cadres 1998, Article 59).

People's Committees at the ward level do not have these rights, but they can form a discipline council and make proposals to the district People's Committee on personnel issues.

The Ordinance on Fighting Corruption mandates that officials who embezzle, take and/or solicit bribes, use public assets for the payment of bribes, abuse public office, or make inappropriate use of their positions that are not serious enough to bring them to court, will be sanctioned (The Ordinance on Fighting against Corruption, 1998, Article 22). Criminal procedures may still be taken against officials who have already been meted one of the above punishment forms but still continue to make use of their positions for their own benefit. Procedures may be taken against officials when offences are valued at more than 5 million VND or valued at less than 5 million VND but resulting in serious consequences.

Concerning sanctions against public officials, it is important to take note of the Party's disciplinary procedures. Public officials who are party members may be disciplined according to Party rules. Depending on the seriousness of the issue, a party member can be punished by reprimanding, warning, dismissal from his function or expulsion from the Party.

In Berlin, district administrations perform their duties in accordance with the law and administrative regulations (General Competence Act - Allgemeines Zuständigkeitsgesetz, § 7* AZG). The different offices of the district authority are subject to professional supervision. Professional supervision applies to the lawful and proper execution of duties and the suitable use of administrative judgment (General Competence Act - Allgemeines Zuständigkeitsgesetz, § 7* AZG). The district authority informs the district parliament constantly about its work and future plans.

When German public officials are accused of being actively or passively corrupt, they are punished in accordance with the criminal code (Strafgesetzbuch-StGB). Active forms of corruption could include public officials offering or promising benefits or advantages, granting undue advantages to third parties, or asking for bribes, kickbacks, or graft. A passive form of corruption is defined as the acceptance of benefits or corruption by public officials. The punishment for attempting corruption may be a fine or sentence from three to five years in prison (The Criminal Law - Strafgesetzbuch §§ 331, 332, 334 ff. StGB). Corrupt public officials may be disciplined not only by the penal law but also by labour law or civil law. An employer can immediately cancel a labour contract with corrupt public officials.

It is difficult to discuss local officials, their actions and consequences for those actions without placing those officials and actions in context with the institutions in which they operate. Formal institutions through their rules and regulations officially allocate resources for local authorities to fulfil their responsibilities. The capacity of local government includes conditions such as the number of local officials, their qualifications and their salaries.

4.6.1.6 Capacity of the Local Governments of Hanoi and Berlin

In Berlin, for every 1000 inhabitants there were from 11.7 to 17.1 officials (Statistisches Landes Amt, 2003). In Hanoi, for every 1000 inhabitants there were 1.3 local officials (Hanoi Statistic, 2005). Local officials included the cadres who work in the mass organisations in the three local levels of government in Hanoi. The number of cadres who work in mass organisations in the districts (including the district and community level) was sometimes even higher than that of professional officials.

It is crucial to note that local officials in Berlin especially at the borough level have to deal with new approaches to the continuously changing public administration reform. There have been significant reductions of local officials at the two levels of administration in Berlin. At the Berlin state level, the number of local officials was reduced from 119,685 in 1997 to 98,499 in 2005. At the borough level, the number was reduced from 81,040 in 1997 to 39,600 in 2005. Therefore, local officials at the borough level had an extremely high workload. For the three-quarters of local officials, the workload was high or too high and about 40 percent of them wish they had a lower workload (Klages, 2006, p.260, 263).

In Berlin, there are different training courses for local officials on different topics. Depending on the needs of each district, local officials can participate in the appropriate courses. The courses are highly practical, and are typically one, two or three days long. An official can be sent offsite for a professional upgrade course for one month at the longest. In the 1990s, the requirement for German civil servants to undergo specific training in social and managerial skills was introduced at the same time as the competency frameworks. In the implementation of reform towards customer orientation, if someone was not able to deal with citizens as required, s/he would be sent for further training or be transferred to another position (summarised from interviews in Berlin).

In Hanoi, local officials at the three levels of local government receive professional improvement training courses at the Hanoi Political School, Ho Chi Minh Political Academy and the National Academy of Public Administration (NAPA merged with the HCM Political Academy in 2007). The courses often last from one to three months. The training program is very theory-oriented with an abundant emphasis on general knowledge and without a strong focus on specific professional knowledge and practical skills. The quality of the trainers from these training institutions is still poor (UNDP, PAR, 2002, p15).

Wards as grass roots governments are the key participants in the implementation of most policies and public services received from higher government levels. Despite the fact that officials at the community level have limited professional capability, the opportunities for them to take part in professional training and promotion are rather low. All decisions for human resources development are made at the higher level of government-district level. To enrol in training courses, local officials and politicians at the community level need approval from the district level. Whether these courses help local officials to perform their jobs better than before or not, the associated certificates are particularly valuable for local officials for promotion purposes.

The community level is often criticized by the higher levels of government as having weak capability and being unprofessional. The weak capacity of the grassroots local government is due to many different reasons. In the centrally-planned economy, the main tasks were primarily focused at the city and district levels, while wards dealt with basic administrative tasks and had no budgets. During this era, cadres working at the community level were not qualified. They were often soldiers who left military service, or people who failed university entrance exams. These people were hardly able to find a job anywhere else, were willing to do basic administrative work in the communes such as checking permanent registrations and providing coupons for people (*nhan dan*) (Informants 2, 6, 7).

In Berlin, public employees and civil servants are well paid. In Hanoi, the salary of a civil servant is able to meet only 50 to 60 percent of minimum living standards. Salary increases always lag behind the growth in the price index (See appendix 5). No one is able to live on these salaries alone. The real income of public officials, however, is unknown. In the Vietnamese public sector, cadres, and officials having the same qualifications and the same salary grades but working in different branches and different levels of administration

do not earn the same income. Officials working in professional agencies dealing with finance, human resources development, investments, and planning often have higher incomes than cadres and officials who work for the mass organisations or at the community level.

Since public agencies determine their own allowances for lunch, or additional payment from other sources of income generated by additional services (GSC 2000d, 50). Different sources of income from additional services can range from renting public land to the private sector for business (example: restaurants or shops...) to other services such as self-paid service at a public hospital. This system of supplements and bonuses has been partly institutionalized and collectivized. The state is unable to control the real income of public servants and cadres (GSC 2000d, p.13, 14), (Painter, 2006, p.325, 326). Regardless, officials working at the grassroots level in Hanoi often have lower income than those working in the higher levels of government.

4.6.2 Administrative Accountability

Accountability consists of three elements: the performance of the actors, the control of the forum over the actors' performance and the answerability or sanction of the actors for their performance.

The prevalence of petty corruption is a key indicator in the quality of public and civil services. It also reveals how the local administrations perform their work

The performance of the actors in Hanoi and Berlin will be evaluated by the prevalence of petty corruption in the two cities.

Corruption is a symptom that appears when something goes wrong in the performance and the use of power of public agencies. Petty corruption also reflects the inappropriate behaviour of the individuals involved. It raises the question of values and norms in the society as well as the virtues of those involved.

Attention will be paid to the prevalence of administrative corruption in some basic services directly impacting citizens' lives such as education, healthcare and some major administrative services. The differences in the quality of the basic social and administrative services to some extent reflect the differences in the quality of life in the two cities.

The quality of public services in Berlin is much higher than in Hanoi. Petty corruption does not exist there whereas in Hanoi, it prevails in all areas including education, healthcare, and administrative services.

4.6.2.1 Petty Corruption in Education

In Hanoi, corruption in education started increasing in the early 1990s. Corruption in education exists in many forms at various stages from enrolment, during the learning process to examinations at different types of schools. With regards to enrolment, there is a phenomenon called "chạy trường" – "school soliciting". It means that parents bribe or use relationships to get a place at school for their children. The schools in Hanoi only serve children who have permanent residence registration in Hanoi. The enrolment of pupils into the school system from kindergarten up to secondary school is carried out according to their residence registration. The registration of children in schools which are not in line with their residence is called "trái tuyến" – "not in line" registration (Quý Hiên, 2005).

One secondary school headteacher stated the quota for pupils registered under the "not in line" category in a school is about 30 percent. Out of this 30 percent, 40 percent is for the children of teachers working in those schools and 60 percent for the children of officials who work in the Department of Education and Training and People's Committee at the district level⁴. (Quý Hiên, 2005) The quota for "not in line" pupils is an unwritten regulation, but it is automatically applied every year.

There are a number of reasons why parents register their children under this "trái tuyến" category. Education is extremely valuable to Vietnamese families. The long tradition of appreciating high qualifications in Vietnam originated with the Confucian tradition of Vietnamese parents trying to obtain a decent education for their children. This leads to a situation where parents, who are able to afford it and are willing to pay or to use "relationships" can register their children in a good school. Better schools exist due to the long, strong traditions of some schools, differences in the investment in teachers or

⁴ District People's Committees and Department of Education and Training manage basic primary and secondary schools, organise the network of kindergarten and preschool classes, and other regulations pertaining to teachers and examinations (Article 47, Ordinance on Tasks of People's Committee and People's Council 1996).

infrastructure, the location of the schools, the school's excellent reputation or outstanding performance.

Parents try to register their children in schools that are "not in line" either by using their relationships/connections, by direct bribes if they know how or by paying mediators to buy seats that have been reserved for "not in line" pupils. This phenomenon starts often at the beginning of the school year. The price to get into a "not in line" school can be several hundred US\$ or US\$1000 for a brilliant and famous school (Quý Hiên, 2005). Some parents feel immensely proud that their children are registered at a good school.

Many heads of schools allow children who are not eligible for a school to register in their schools as a way to keep "diplomatic relationships" with other public officials who work in the People's Committee or the departments of education at the district level. This practice has become an unwritten regulation and is seen as normal.

Corruption occurs not only in enrolment procedures but also during the learning process. Educational performance and the degree a student obtains are the pride of parents and the whole family. Learning in Vietnam is more about passing critical exams and getting degrees or certificates than about acquiring knowledge. Results of exams and degrees are more valuable than the actual learning process. Therefore, students try to achieve high grades by cheating or even worse, by buying grades or degrees. Cheating in examinations has become a real, serious "disease" in education (Báo Nhân Dân, 2006) (Báo Tuổi Trẻ, 2006). Buying grades or even buying a certificate is not rare.

Moreover, all schools try to prove that they (teachers, managers) have done their job well by showing the best performances for their school. Competition for outstanding performance among schools exists. A school is considered an outstanding performer by the educational management authorities when it has a high number of excellent students, who pass the national exam well. The learning results of pupils are crucial to every school for fulfilling the target set by the higher levels. Therefore, in many cases, not only are students willing to cheat but teachers are also willing to give higher grades than are justified by the real performance of their students to ensure proper results for their classes and schools.

Some teachers have used their power to earn money. Teachers might hold back some parts of the learning program, which often appear in exams in class, and save them for private tuition classes. Pupils often have no choice other than to attend and pay for these tuition classes if they want to pass exams or to have excellent marks.

Corruption in education as mentioned above is quite well described in the Vietnamese media every year. People see these “negative phenomena” in education. Everyone knows this phenomenon, is as the way it is.

In Berlin, these negative phenomena in education do not exist. The quality of schools is not too diverse. Therefore, it is easy for parents to choose schools for their children. Teachers in Berlin are not pressured by performance evaluations based on the best results of their students. There is no pressure to compete for the best students nor is there any pressure to earn extra money. Further more, if they do they will be seriously punished.

4.6.2.2 Petty Corruption in Healthcare

There are 16 hospitals and 9 medical centers in Hanoi providing medical advice, quarantines and preventive healthcare as well as 229 community health stations (2005, General Static Office). The district and community health centers do not deal with patient treatment nor do they have sufficient capacity to do so.

Healthcare in Hanoi is much better than in other provinces in Vietnam due to the centrally-planned economy and a better investment in physicians and medical equipment. In 2001, 4594 private clinics in Hanoi handled 46 percent of the patients (Le Chi Mai, 2004, p.160). Private clinics have contributed to the healthcare system in Hanoi, creating more healthcare options for people than previously available. Not all patients are able to afford private healthcare, and since the hospitals in Hanoi also treat patients from other provinces Hanoi’s public hospitals are always overcrowded. The disparate capacity and quality of health service between the private clinics and public hospitals and among public hospitals in Vietnam has created the situation in which Hanoi public hospitals find themselves. Quality public hospitals in Hanoi are always crowded and suffer from overloading. To receive proper health care in Hanoi, patients or their family members use “phong bì” – “envelope” (with money in it). Stated differently, people often bribe to get better service. Bribery speeds up the waiting time for a medical examination and ensures

treatment (this usually means that the treatment should be better and quicker than that for patients who do not bribe). During treatment time in the hospital, a patient or his/her family member often gives “envelopes” to nurses or doctors to receive better treatment, nicer bed sheets, not so painful injections and a friendlier atmosphere. It is crucial to note that doctors and nurses do not directly ask for money, but without “envelopes” patients are treated differently. Giving money has become such a common practice that hospitals try to discourage it by having a sign stating: “Patients and their families pay only hospital fees, other payments are not allowed, but if you still pay, you take full responsibility.” No one heeds this advice. In fact, patients would be shocked and worried if doctors or nurses refused to take their money. Honest doctors and nurses are becoming rare. Petty corruption prevails in hospitals in Hanoi, and it is accepted in the society. 44.8 percent of the people in a survey said they had paid extra money when their family members had to go to a hospital (Mạnh Quân, 2005).

In Vietnam, social health insurance was introduced during the early stages of economic renovation in 1989. The current social health insurance comprises three sub-schemes: the compulsory, the voluntary social health insurance, and social health insurance for the poor. In 2006, the total numbers of social health insurance members reached 30.5 million, in which 11.2 million (or about 37 percent) were poor people (Giang, 2008, p.4).

Health insurance has been implemented, but clinicians often avoid treating patients holding insurance cards. They usually give precedence to those who are willing to pay fees up front. In a public hospital, fees can be charge for medical services, and patients who use this service are more welcome than those who use health insurance.

The opening of private practices and pharmacies has led to a new situation in medical services. In front of hospitals are “Cò”. “Cò” refers to the mediators between patients and public hospitals or private clinics. Many patients, who come from other provinces to Hanoi for medical care, do not understand the location of or procedures in a hospital. “Cò” will “help” them avoid long queues and get services faster. Patients pay “Cò” from US\$2 – US\$45 for this service (Lê Nam, 2006). “Cò” sometimes do not take payment from the patients but receive instead commissions from the private practitioners at the private clinics. It is common for doctors in public hospitals to introduce/refer patients to private clinics where they work after their hospital work hours. It is also common for doctors to

prescribe excessive drugs to patients to earn commissions from the pharmaceutical companies.

In reality, not all private clinics meet healthcare operational standards. Many often violate regulations on operational conditions, such as space requirements, lighting, facility hygiene, appropriate medical equipment and tools, sterilization standards, and dress code. They have unlicensed and poorly qualified private providers, (e.g., nurses, assistant doctors with insufficient professional knowledge etc...) (Le Chi Mai, 2004, p.160). How can these private clinics be allowed to still function? It raises the question about the professional supervision of the public authorities in this field. This “negative phenomenon” in healthcare service is well known and also accepted as the way it is.

These examples of bribery and paying intermediaries for better care and treatment in hospitals do not exist in Berlin. In Berlin, the majority of physicians are self-employed and in private practices. It is common for patients to go to these practices. Physicians are paid from health insurance funds.

4.6.2.3 Petty Corruption in Administrative Services

Home Registration Book – Permanent Residence Registration (PRR) in Hanoi

PRR was extremely important during the days of the centrally-planned economy because without it, people who lived in city would not be recognized and would not get any coupons for food and other basic needs.

In the transition to a market economy, Permanent Resident Registration (PRR) is still immensely valuable because it is needed for birth registrations, for school, to buy a house, to receive a land use registration, to marry, to install a telephone, or to get a motorbike registered. There are 380 government documents related to permanent resident registration (Xuân Toàn, 2006).

Until 2004, only 266,030 out of the 3,029,203 inhabitants of Hanoi had a PRR. The rest had PRR in other cities, and 106,458 inhabitants met the requirements for a Hanoi PRR but did not have it (Xuân Toàn, 2006).

At the end of 2005, the government passed Decree 108/2005 on the management of registration books and PRR, the time for living in Hanoi is at least three years and it

requires a certification of having a stable habitation by local authorities. In July 2007, the Law of Habitation was passed in which the requirement of living in Hanoi was reduced to one year, but an applicant still needs to prove that s/he has a long-term work contract in Hanoi

Regardless of whether a person has met the requirements of PRR, people often bribe public officials to get a PRR. As for those who do not meet the requirements, there are many instances whereby they are still able to get PRR through bribes.

A person who meets the requirements might pay a bribe to avoid any delays or difficulties. Many such cases have been reported in the newspapers. An example would be the case of the head of the Ethnic Council in the National Assembly – Mr. Trang A Pao. It took him almost five years to get PRR for his wife, even though she met all the requirements of the PRR. It was finally accomplished with the help of his subordinates, who used “things to count” (money) (Vĩnh Phúc, 2005).

Even a person who already has a PRR in Hanoi could still face problems in changing districts in Hanoi. For instance, a man had to go 18 times to the appropriate agencies with “speed money” to change the PRR of his wife within Hanoi from one district to another ...” (Vĩnh Phúc, 2005).

In Berlin, when someone moves to Berlin or moves to other districts within Berlin s/he should register his/her new address in a Citizens’ Office within two weeks. If one does not register, s/he may have to pay a fine. It does not matter in which district one lives, a Citizens’ Office in any of the twelve districts in Berlin can register, de-register or change their residential registration (address) within Berlin. It takes an average of 7.8 minutes in twelve districts for such service. In the Friederichshan – Kreuzberg district it takes only 4.2 minutes for this service. The longest time recorded for this service is 11.3 minutes in Spandau (Klages, 2006, p.43). The resident registration service costs an average of 16.35 Euro, the lowest being 11.47 Euro in Steglitz and the highest being 20.03 in Marzahn Hellensdorf and 20.52 in Treptow-Köpenick. Differences in the cost are due to differences in personnel costs in the twelve districts (Klages, 2006, p.29). Citizens are provided clear instructions on the procedures for resident registration. People can obtain blank forms on the internet or at a Citizens’ Office.

Construction Permits and Violation of Construction Permits

During the days of the planned economy (the 70s and 80s), housing in Hanoi was taken care of by the state⁵. In 1981, government constructed 94 percent of housing; but by 1989, this had dropped to 38 percent and the downward trend has continued as the government reduced budgets for housing after “Doimoi”. This has brought a rapid shift toward the privatization of housing construction (Gough, Tran, 2009, p.176).

Different local government levels are delegated the power to issue construction permits. The city level has the power to grant different permits for large buildings. Districts issue the building permits for small private houses up to three stories high (Fforde, 2003, p.21). An application for a building permit includes a certification of land use along with a plan for location, a plan of the building including the detailed plan of water and used water, as well as electricity. It should take 20 days to process once the application is submitted. Reality is however different. An example includes a case where the application process required the applicant to make 38 visits to state management agency offices, submit 67 documents, and wait around 451 days in total⁶ (Vasavakul, et al., 2009. p.14).

Since the mid-1990s, more and more private houses have been built in Hanoi. Interestingly, most of them have been built either without a construction permit or in violation. To apply for a regular building permit takes time and many people decide to build without permission. They are willing to accept the fine for building without permission. This fine is called “phat ton tai”. It means that when a fine is paid, a building without a construction permit is allowed to exist and continue being built. The fines for building without permission are very low - no more than US\$10 (220.000 VND). That is the official fine, but the real payment is often much more – based on negotiations between owners and officials.

Another way to build a house is to apply for a construction permit and later violate it. In order to get a building permit, owners can submit a simple and modest house plan that follows construction regulations and requirements. Later when the house is being built, the

⁵ Cadres and civil servants waited to be distributed apartments according to their position, working experiences and family size.

⁶ A study carried out by Nguyễn Đình Cung at the Central Institute for Economic Management

owners will modify the plans to what they want. Ward officials or district inspectors, who are in charge of building and construction orders, usually learn of this only when the violations are very obvious or when they receive complaints from neighbours (Informant 2). The violations could include the height being higher or lower than the permitted level, or the width greater. The ward officials cannot suspend the construction but they can punish the owners for offending building code. In order to pass inspection and continue building the house, the owners will negotiate with ward officials and construction inspectors a certain amount of money. The amount depends on the level of violation, the place of the house, etc. For instance, a man paid US\$700 to ward authorities for a 60 centimeter height offence while building his house. He did it to avoid other building code offences that would have been discovered if the ward officials checked thoroughly. His neighbor paid a few thousand US\$ to "pass" a construction inspection a few years earlier (Koh, 2006, p.14).

This negotiation between officials and construction owners is very common. The amount of money depends on several factors including the location of the construction, whether it is on agricultural land, the size of the house, or the seriousness of the offence. These transactions are out of control and ongoing - primarily due to the benefit to both sides. Officials receive more money and people do not have to follow the administrative procedures. They save time, avoid the complication of procedures and build as they want.

In Tay Ho District, prior to 2002 the number of houses built without construction permits was 40 percent per year. 95 percent of the houses were built in violation of construction permits (Kieu Minh, 2005). In 2004, 50 percent of construction was done without building permits or in violation of building permits (Hoài Nam, 2005). In 2006, the number of constructions with building permissions was 70 percent but 50 percent of them violated building permits (Nguyễn Tuấn, 2007). New housing construction without formal approval, nevertheless, has been recognized by the public and, informally, by the government. For example, such housing has been compensated by government agencies if in the process of building, land has been cleared that allows for the expansion of roads or other public purposes.

In Berlin, building permits are required for new buildings, rebuilding, demolition, utilization, changes in construction, removal of attics, and installation of advertisement structures. Each type of building project has different requirements and formulae. A building permit is

granted according to the request. The requirements include many details such as the official approval of the legal plan, a detailed description of a building – specifications, provisions of service – water, sewage, gas, electricity, environment, etc. The agreement of the neighborhood on a building project is optional. The construction authority judges the necessity of the project. The advance payment for getting a building permission depends on the possible emerging fee. The construction authority will refund later any overpayment if the cost is less than the advance payment.

The number of building permits issued for new buildings in Berlin from the years 1997 to 2005 was more than 4000 per year (Statistisches Landesamt Berlin 2006). The practice of construction without building permits, or violations of building permits does not exist in Berlin. It is unthinkable to pay off public officials in order to build a house without permission or to avoid the violations of received permits.

Business Registration

In its move toward a market economy, Vietnam has accepted the role of the private sector in the economy. Individuals can set up their own businesses and private companies. It takes from 45 to 52 days, in theory, for a private company to register for business certification and begin operations. The registration process includes four steps: first, register at the Department of Planning and Investments at the city level for business certification (14 to 21 days), second, register to get a corporate seal from the police department at the city level (7 to 10 days), third, get the tax code (15 days), and fourth buy receipt books (7 days) at the Taxation Department at the district level.

In order to get a business license, a future company, however, might encounter thousands of obstacles in the registration process. For example, a company might need about twenty visits to buy a receipt book because there may be several mistakes in its application or documents which usually discovered only after many successive meetings with the responsible official. To avoid this situation, giving “envelopes” to get things done is a common practice. An example of this lengthy process of applying for a business license is the company that went through a long journey of 300 days, through 18 “doors” with 18 “seals”, only to receive the requirement to start again from the beginning (Phường Thảo - Cấn Cường, 2006). The Vietnamese Committee of Commerce and Industry has reported that only 33 percent of private companies could begin operations after forty-five days, 20

percent of enterprises needed three months before starting operations (Vietnam Net, 2006).

The competitiveness index of Hanoi has dropped 26 levels from 14 in 2005 to 40 in 2006. According to a survey by the Vietnam Chamber of Industry and Commerce, 32 to 46 percent of enterprises mentioned that officials are doing their job at acceptable level; 40 to 70 percent of enterprises replied that officials do their job wrong or ask for bribery and 76.74 percent of enterprises confirmed that officials use public regulations to their own benefit. 74.73 percent of enterprises have negotiated and agreed kickbacks to officials to reduce their tax obligations. 66.67 percent of enterprises have had to pay in advance, 80.85 percent of enterprises admitted that they paid a “donation”. When enterprises have problems with officials, 87 percent of enterprises use “relationships” to solve them and 32.43 percent of enterprises have taken direct action to protect their rights (Văn Tiến, 2006) (See diagram below).

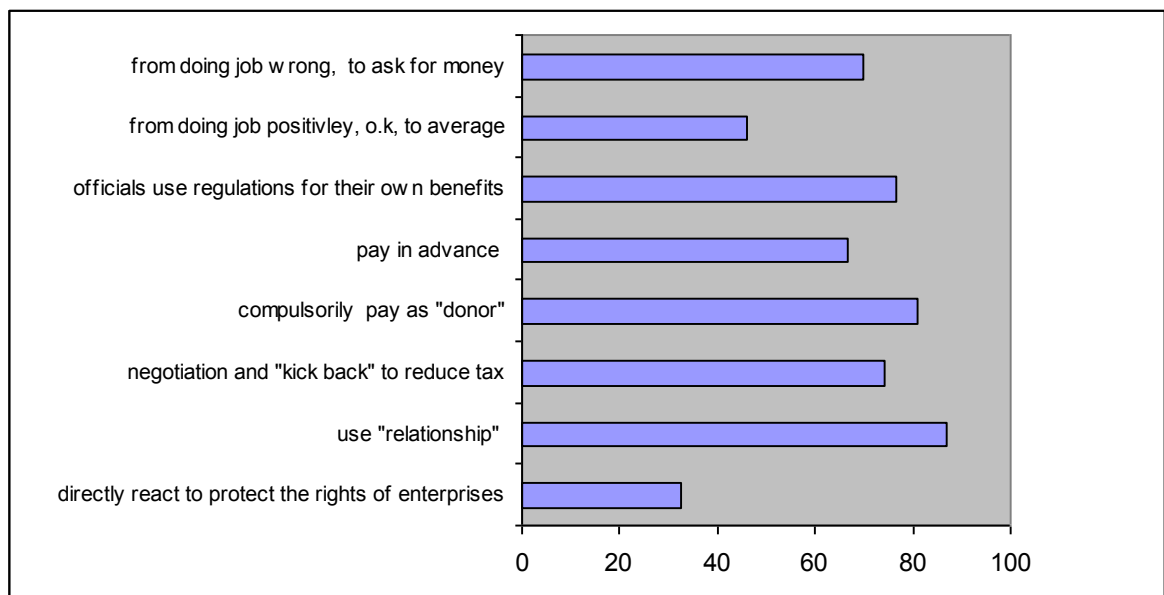


Diagram 12: Working with Officials from the Enterprises' Point of View

Source: Own diagram based on the survey of VCCI -2006 - (Văn Tiến, 2006)

The price to “grease” the system made up 29 percent of the enterprise’s turnover (Vietnam Net, 2006). According to statistics provided by the Federation of Trade and Industry Associations of Hanoi, the number of registered enterprises in Hanoi rose from 6,559 in 2000 to 56,000 in 2007 (Vasavakul, et al , 2009. p.18.)

In Berlin, the only public authority in charge of business registrations is the economic office at the district level. Business registration includes the following: new company registration, company de-registration and corporate change application. Business registration is required when opening a new independent business in a district in Berlin, or when moving a company from another federal state to the district. Any changes of/to a company such as its address, changes from wholesale to retail, expansion of goods, and the addition of services must be registered via a new legal form or announcement. When a company registers at the economic office, simultaneously it must report to the taxation office.

The forms for different kinds of business registration can be obtained at the district economics offices or downloaded from the official Berlin website. Information on contacts, hours of operation and fees is readily available. The business registration fee is recommended to not be cash but a transfer via the bank. The number of business registrations changes every year. For instance, in Berlin in 1997, the number of new registrations was 41,360, registration changes 12,923 and deregistrations 36,913 (Statistisches Landes Amt, 1997).

Motorbike Registration

To solve the traffic problem which is seen to focus on the number of motorcycles on the road, the Hanoi local government has passed a legal decision that residents in the seven inner districts were temporarily not allowed to register their new motorbikes. When this decision was put into effect in December 2003, the number of motorbikes with number plates registered in other districts of Hanoi or other provinces started increasing.

Residents who wanted to buy a new motorbike but lived in any of the seven inner districts of Hanoi had to find a solution. They sought the help of a third person, either a friend, a relative or "Cò". In most cases they used the service of "Cò". Cò were mediators between the real owner of a motorbike who may live in one of the seven inner districts and someone from Hanoi or the province who was willing to have a motorbike registered under his/her name. The service of Cò cost from 2-3 million VND to 7 million VND (US\$200 to US\$420), the cost depending on the proximity to the province in which the owner chooses to have his motorbike registered. Cò motorbike registration occurs at the very early stages, right from the beginning when one buys a motorbike in a shop (Phung Suong, 2005). It has

led to a situation whereby the one who buys the motorbike was not the owner according to the registration. The death toll caused by accidents involving motorbikes still made up to 60-70 percent of all accidents (Phung Suong, 2005).

When considering a solution for safe transportation in Hanoi the compliance of traffic rules in Hanoi should be taken into account. It was very common for people to violate transportation rules; they just paid some amount to the policemen instead of paying the real fine for their violations. In a survey by the Internal Party Committee in 2004, 74.1 percent of the interviewees answered yes when asked if they had paid extra money to policemen to avoid the real punishment when they violated traffic rules (Manh Quan, 2005).

4.6.2.4 The practice of "Cò" – Mediators

Citizens hardly ever get their services on time as required by the regulations. Situations, however, can be totally reversed if people know the “right way” to get a public service even more quickly than regulated. For example, the police departments at the district and city levels issue identity cards. The official time stated for this service is seven days, but if one knows the “right way” it can be done in just a few hours (Trung Hieu. 2004).

The “right way” can involve the use of material and/or non-material power. Material power refers to using money or returning help in another way. Citizens who want to get public services can bribe officials directly, or pay a third person – the mediator ("Cò" - in Vietnamese) to do the entire service. The non-material power refers to using the power of relationships.

Giving money directly to public officials can be risky. It does not ensure that things will run smoothly because citizens do not know who is in charge of doing the service especially when it relates to different departments at different levels of administration. Moreover, public officials might refuse to take the money, when the money is not given at the right time, right place, and right amount or for other reasons. Another way to receive public services without any difficulty or delays is to pay a mediator ("Cò"). In all fields of services for education, health care, and administration there is "Cò". People do not pay officials directly to speed up the administrative procedures, but they still pay public officials via

"Cò". Not all "Cò" are reliable mediators, because there are cases where people pay a mediator but they do not receive the service.

To some extent receiving money from "Cò" seems to be more convenient and less risky to for public officials. Corrupt behaviour occurs not only among the public officials and citizens, but to some extent is incorporated into the entire system. The mediation between "Cò" and public agencies remains secret.

The activities of mediation between officials and citizens and/or "Cò" vary from locality to locality, from ward to district and city levels, from service to service and from activity to activity.

The other way to receive public service without difficulty is to use the power of "relations". People may use different relationships such as friends or relatives who are able to have contact with or to influence officials in charge of the service. It is very important to note that even with relationships people still pay to be sure that things are done. The "relationships" among different people create a real "matrix" because when one asks another for help in one service it will have to be returned on a different occasion.

Unlike Hanoi, phenomena such as bribing, paying extra to public officials, paying a mediator, or using relationships to get public services do not exist in Berlin. Citizens do not have to wait long to receive a service and the time delay with public officials is quite short. Waiting time for citizens to be served in Berlin is 19.5 minutes on average. The waiting time in Reinickendorf is only 3.1 minutes, and in Marzahn-Hellersdorf 7.71 minutes. The longest waiting time is 48.3 minutes in Friedrichshain – Kreuzberg (Klage, 2006, p.42). The time for receiving information is 4.1 minutes on average for all twelve districts. The extremely short service time is only 1.4 minutes in Steglitz-Zehlendorf and 1.8 minutes in Friedrichshain – Kreuzberg. The longest service time is 5.7 minutes in Lichtenberg and 5.3 minutes in Spandau.

4.6.2.5 Answerability of Hanoi's Local Officials

Answerability can be defined as reporting, explaining and receiving meaningful consequences for what local governments have done. People's Committees at all levels have a responsibility to report to the corresponding People's Council and the higher

People's Committee. Professional agencies at the city and district levels are responsible for reporting to the upper echelon and the People's Committee at the same level.

With regards to the prevalence of petty corruption in public service, Hanoi's local government has admitted that corruption is a significant problem. Corruption in education including cheating, buying grades, soliciting a school or petty corruption, and the existence of "Co" in all kinds of public services are all recognized as negative social phenomena. Given that petty corruption, waste and fraud, or negative social phenomena are becoming more prevalent, everyone admits the presence of such problems but finding those responsible is not easy.

In fact, supervision, control, inspection and monitoring of professional agencies in the implementation of their tasks are rather ineffectual (Bui, 2000, p.7). In many cases, neither the line organisation nor the local authorities exercise effective supervision and control. The state management agencies in healthcare and education are not able to control or monitor petty corruption in their fields.

"Sectoral management" and "territorial management" create unclear responsibilities among the different levels of government. They create opportunities for blame between communal governments and professional agencies at the higher levels. The local officials at wards complain about the unclear tasks, their overload of work and the lack of support and guidance from the upper level. The local officials at the district and city levels complain about the weak capacity of the ward local officials, preventing them from performing their jobs. Hanoi local officials generally do not have any meaningful explanation or take any consequences for their actions, especially in the case of petty corruption.

The explanations for ineffective and inefficient service delivery are often briefly stated in reports. People's Committees and professional agencies explain that there is a lack of strict decisive guidance from the upper levels of government (central, city, or districts), lack of coordination between line departments and between different levels of government, weak capacity of the civil servants (especially at the ward level), negative influences from the market economy, degraded morality of some civil servants, or some cadres still working in the old style of the centrally-planned economy (Nguyen Duc Mau, 2006).

The explanations of high-ranking officials at different levels of local government in Hanoi often follow the same format (Nguyen Duc Mau, 2006). They are willing to admit that it is wrong because their knowledge is at most limited, they do not act sufficiently and/or do not exercise strictly enough control over their subordinates. Then they promise that they will control better and act more decisively. Sometimes, they even blame a system failure or a mechanism mistake. Some of them admit that they are not decisive enough because they hold harmony as precious (Nguyen, 2006). The discipline form that most of them are willing to take is strong self-criticism. This kind of explanation is not concrete but it makes audiences feel better because at least someone has recognized his/her mistakes. However, in the end, no one really takes responsibility or receives any meaningful sanctions.

Most cases of petty corruption are hard to prove; therefore it is seen generally as a negative influence of a market economy. Only a few cases are discovered. Case of public servants applying government rules incorrectly (involving petty corruption cases) may be reported to the office of City and District Inspectors for review. If a case does not involve the police or the inspectorate, it becomes a case for internal disciplinary action. This means a disciplinary board of the appropriate trade union will consider the case. The board then make its recommendation to the superior official in charge of disciplinary action. The final decision, however, belongs to the Chairman of the People's Committee at the city or district level, if the public servant is working at the communal level. The level of disciplinary penalties can range from advice through warnings or reduction in rank, or to dismissal in the most serious cases. In many cases, penalties are not publically revealed but referred to as "internal punishment". These cadres show their deep regret and strong self-criticism and draw lessons from what they have done.

Even if a cadre is disciplined either by delaying the promotion of salary grade or by a demotion in salary scale, it does not mean much at least in material terms. For instance, the salary coefficient of civil servants with university degrees will increase by 0.24% after three years. The minimum wage in 2003 is 350.000 VND, salary increased: $350.000 \text{ VND} \times 0.24 = 84.00 \text{ VND}$ (US\$5.4) (Civil service salary = minimum wage x salary coefficient) (See Appendix 5). Actually, this sort of punishment does not make much difference in changing attitudes and behaviours. This discipline is not meaningful in real terms.

The number of party members involved in corruption cases has increased. The Communist Party is “determined (to) overcome the degradation of political ideology, morality and the way of living among party member(s)” (CPV, 2004, p.106-107).

The Party promotes the revolutionary ethics and the teachings of Ho Chi Minh to its party members, officials and people. Ho Chi Minh’s thoughts and his teaching are strongly emphasized to help build and rehabilitate the Communist Party’s image through self-criticism and the criticism of party members (Van, 2006).

Even though the Party has had different campaigns for party members to learn from Ho Chi Minh’s example to improve their revolutionary morality, it is very difficult for party members (who are at the same time officials and/or deputies) to reject personal preoccupation, and to relinquish their aspiration toward wealth. All cadres still often quote Ho Chi Minh’s teaching, but it is hard to believe they really follow it themselves. The revealed corrupt cadres are obviously bad, but the unrevealed corrupt cadres still preach of being good, honest, thrifty and unselfish cadres. Practically no one listens to this preaching anymore because reality is just the opposite of the party ideology. Material attraction is certainly powerful enough to make people ignore any kind of revolutionary ethics and Ho’s teaching and become money worshipers. The Party has lost control over its cadres, and party members. According to the “Rectification of Names/Terms” (zhèngmíng - chỉnh danh”) of Confucianism, party members neither set good examples nor achieve the criteria of good rulers.

In general, only the cases that have severely violated the laws and cases that cannot be solved in an internal manner are well publicized. Public officials who break criminal laws are subject to arrest and trial in the People’s Courts.

In Berlin, on the other hand, discipline has real meaning for public official and is successful in warning and stopping them from doing wrong. Public employees are not given an opportunity to self-criticize, in other words, a second chance to be corrupt. Corrupt public officials might face the penal law, the labor law or the civil law. Their labor contracts are canceled immediately. Sanction mechanisms in Berlin are serious enough that local officials think about the consequences of their action.

4.6.3 Political Accountability

Political accountability of local deputies is also evaluated by their performance and answerability. The research focuses on local deputies' activities in responding to the wills and needs of the local people, and the controlling and monitoring of local administrations.

4.6.3.1 Responding to Local Needs and Problems

Hanoi is the capital city and is one of the four municipalities directly under the central government. In comparison to other provinces Hanoi has enjoyed a large discretion in deciding its socio-economic development plan. In spite of that, resolutions on the socio-economic plan in Hanoi are based on resolutions of the Central Party, Central government and National Assembly. The resolutions of People's Councils actually detail the resolutions of the higher government level. The city takes into account the contextual variation in many districts in Hanoi. Then it determines the objectives of socio-economic plans for different districts. It is done in the same way at the ward level. Wards at the grassroots level concretize the resolutions of the higher level for their locality. Even though wards, the level of government closest to the people, know local problems and concerns best, they are not able to influence the decision-making process of the higher level. A head of a ward People's Committee said that resolutions, plans and policies are dictated "top down". Plans and policies are often too removed from community practice but being at the lower level they do not have any chance to raise their voice during policy formulation (Informant 2).

All in all, the strategic plans for socio-economic development must be in line with the guidelines of the Party. As a deputy at the city level said "Party Committees at the city and district levels are comprehensive leadership under the guidance of the central Party committee. To go forward or go back is a decision of the Party not the People's Councils" (Informant 11). The meetings of the Party Committee at all levels of government are often organised before the plenary sessions of People's Councils. A ward deputy asserted: "It is said that local deputies are representatives of local people and work for local people. It is said but it is not true" (Informant 6). People's councils are accountable to the higher level of government and they act as a state organisation in the locality rather than as local people's representatives.

Public meetings with local deputies at the three levels are not open to the public. Participation in these meetings is by invitation only. Participants in these public meetings are heads of the resident quarters, secretaries of Party cells, people in the network of mass organisations and cadres of mass organisations in resident quarters.

Although local deputies may understand the needs and concerns of the local citizens, they are unable to solve them or bring them to the People's Council's. Many public concerns are beyond the jurisdiction of ward and district. Before deputies act, they consider their own benefit first (a deputy at the city level said).

In comparison to Hanoi, the local deputies in Berlin undertake their tasks in completely different conditions. It is very important to bear in mind that due to the status of Berlin as a unitary community, the twelve borough assemblies do not enjoy equal political rank with the independent municipalities in the sense of "self-administration". Borough assemblies are not local parliaments, but administrative organs without legislative, budgetary or tax authority (Krüger, 2006, p.13).

Deputies of the twelve borough assemblies (BVV) are not professional politicians. They can be party members of CDU, SPD, die Linke, die Grünen or non-party members. In comparison to the local deputies in Hanoi, borough deputies in Berlin arrange more events to get in touch with the local people. Each party can organise public events for local people or interest groups. For instance, the CDU organises a variety of political talks on matters concerning culture, health care, etc... The representatives of different interest groups such as the youth union, women's union, or any interested individuals can join the meeting. Once a month, on a Saturday, the party meets local people on the street, listens to their problems, gathering their questions and concerns... Local deputies also join social events to meet local people. A deputy makes her/his own personal arrangements to have contact with people at events such as birthday parties, receptions, etc... (Mr. Schmidt, Reinickendorf deputy). Contact with people gets more intense during election campaigns but all political parties try to keep in touch with the local people during their terms. For instance, Die Grauen, a newly-elected party in the Reinickendorf borough assembly, has worked with people to build a new playground (Mr.Schulz, Die Grauen, Reinickendorf deputy). In addition to many organised activities by different parties, each political party has an office and has allocated specific times to meet people.

While the plenary sessions of the People's council are held only twice a year in Hanoi, the plenary sessions of the borough assembly in Berlin are held each month and are open to the public. Any citizen who is interested can attend, and anyone with questions can register in advance. About 30 minutes are allocated for citizens to raise questions at every plenary session.

The different committees of the borough assembly meet with the local administrators to discuss topics such as budget, education, social services, culture, etc. The borough assembly members form the majority of a committee. Every borough deputy is entitled to join committee meetings as a guest. These meetings are also open to the public. The schedule of meetings is posted on the internet. People who have an interest and/or issues can directly approach the borough deputies and local administrators on these occasions. All questions are answered either verbally on the spot or in written form within two weeks.

Even though the different parties and borough assemblies have created various occasions to interact with people, people are more interested in city politics than politics at the borough level. Mr. Betermann even said that "many people in Berlin have no idea about the borough assembly" (Mr. Betermann, Die Grüne in Mitte borough). Nevertheless, almost all deputies agree that now more and more people are getting to know their borough assembly. The policies that are decided by the borough assembly are limited. The borough assembly can make political decisions on the issues not decided at the Berlin state level. The borough assembly decides on such issues as the approval of the borough budget, the budget statement, land development plan, child and youth policies, social services, community cultural work, school and pre-school planning, school locations, policies for the elderly, care of the handicapped, and promotion of associations. Although the policies decided by the borough are limited, the involvement of different actors in the policy-making process should not be underestimated. There are associations, borough administration, parties, the media and affected citizens. In Vietnam, people who have been affected by a public policy can express their interests via mass organisations of the Fatherland Front and sometimes through the media, while in Berlin, affected people have different channels to raise their voice and concerns. The borough decision-making process includes interest groups, borough assembly deputies, media and different political parties. They use different local power resources in a concrete arrangement to mobilize political

support and to convert their interests into practical policies. In thorough decision-making processes, the administration plays a dominant role. The close interdependence between the borough assembly and the local administration means that neither can achieve its aims if they do not work together.

4.6.3.2 Monitoring Local Administration

Despite the fact that the People's Councils in Vietnam are elected by local citizens, they do not in reality act for the people nor are they really able to hold local administrations accountable. Local deputies in Hanoi can only superficially do their jobs because of the politico-administrative institution in Vietnam. The relationship between the administration, the People's Council and the Party structures of the different levels of government are complex, with many officials holding positions simultaneously in two different spheres (e.g. the District or Ward Party Secretary may also be the Chair of the People's Council; or the Chair of the District People's Committee may be a member of the City People's Council). Most of the deputies of the People's Councils at each level are party members and at the same time, they work in the administrative system. Deputies who work for the government in the fields of administration, education, healthcare, production and state enterprises account for 46.4 percent at the city level, 41.72 percent at the district level and 20.42 percent at the ward level (Report of Fatherland Front of Hanoi city on the People's Council Election, for the term 1999-2004). This results in conflicts of interest as local deputies are simultaneously local officials and party members. Local deputies play the role of party member more often than the role of representative of the local people.

Local deputies have their own professions and duties in public agencies (SOEs, mass organisations and professional agencies) and work for the local councils only part-time. The functions of local councils are carried out by the Standing Committees. At the ward level, the Standing Committee includes the chairperson and the vice chairperson of the People's Council. Therefore, the performance depends totally on the work of the two. The chairperson of the People's Council usually is the Party Secretary at the same time. It is argued that this model should strengthen the leadership of the party and the role of People's Council. The danger, however, is that the role of People's Council is diluted by that of the Party. In reality, the People's Council cannot operate independently from the People's Committee, because two share the same bank account. In other words, the ward People's council has the finances to operate only when the chairperson of the corresponding People's Committee approves. The People's Committee has more chances

to monitor the activities of the People's Council, and not the other way around as it should be. It is often reported that the People's Committee has created good conditions for the People's Council to work.

At the district and city levels, operations of the People's Councils are more professional because they have their own offices and budgets. The Standing Committees include three specialized committees: the Economics and Budget Committee, the Culture and Society Committee and the Legal Committee. The Standing Committee and its specialized committees are able to delegate monitoring to the districts, wards and professional agencies. They usually have special topics to monitor monthly and quarterly. Questions are often sent to the agencies and reviewed in advance. This model of monitoring is rather formal, according to a deputy of the Hanoi's People's Council. Local deputies who live in the locality are also invited, but many of them try their best to avoid joining the monitoring delegation. Being local deputies while at the same time being local officials makes oversight difficult and many of them limit their engagement in monitoring activities (Anderson et al., 2009, p.120). The common monitoring activities of local deputies in Hanoi are establishing monitoring delegations and examining the reports of People's Committee and professional agencies. The delegations of the Standing Committee can do no more than listen to reports, or take tours that are often very well prepared. The delegations are more careful about the questions asked to avoid trouble when there are some deputies of the People's Council working in the monitored fields. The monitoring delegations might have official questions and recommendations to professional agencies. The follow up, however, is quite weak. Many agencies do not take these recommendations seriously. There is limited engagement of individual deputies in monitoring activities (Anderson et al., 2009, p.120).

Plenary sessions are critical activities that deputies must attend. The plenary sessions last for a day at the ward level, two days at the district level, and four to five days at the city level. Nowadays, the plenary sessions of the Hanoi's People's Council are transmitted live on Hanoi Television. The plenary sessions consist of two parts; part one is reporting by the professional agencies and the People's Committee; part two is discussion and questions. The plenary sessions are important activities of the People's Council to get answers from local administrations for their actions.

At the city level, several deputies have raised direct questions on sensitive issues such as corruption in different areas. The deputies often get general answers or promises from the local administrators that they will consider this issue later. It is not known whether the deputies really get satisfactory answers later. Nevertheless, it is huge progress to see deputies raising issues that people are really concerned about.

Elected officials who work in the executive branch will not raise their voice or ask questions in their field because they want to avoid the possible negative consequences (Anderson et al., 2009, p.118). Often the deputies who raise a lot of questions are non-party members or self-nominated. Local deputies who raise too many questions or criticize too often, however, may be seen as troublemakers, and other deputies and officials might keep a distance from them. Instead of public questioning it is better if local deputies have small and private talks with local administrators. Many local deputies even said that local deputies and the People's Council cannot do more than to agree. The People's Councils play the role of a second Fatherland Front. The People's Councils at the ward level are weaker than those at the higher level due to structure and financial capacity.

In short, monitoring and controlling local deputies in Hanoi is fairly formal. To some extent, the deputies are able to speak about the problems, concerns and interests of the people and to criticize the work of the People's Committee. Many local deputies said they cannot control the local administration so they can only present the problems to the local administration and ask them to resolve them. However, the number of cases that have been solved is very low and it usually takes a long time.

In Berlin the borough assemblies have more capacity to do their job than the People's Council in Hanoi. While the People's Councils have three subcommittees at the city and district levels in Hanoi, borough parliaments in Berlin consist of different committees in accordance with the tasks of the borough administration. Borough deputies in Berlin are not professional politicians and they perform their deputy jobs in their free time as it is in Hanoi. Despite that, borough deputies in Berlin constantly have contact with the local administration through different committees or in person. They often work about two hours per week (104 hours per year), while most of local deputies in Vietnam appear mostly in two public meetings and two plenary sessions in the whole year (about 32 hours per year)

In order to improve their quality of work, to better control or understand the work of local administration, many of the deputies in Berlin self-finance the different training courses in which they are interested (summarised from Interview).

There are different kinds of inquiries that a committee or group can ask local administrations. These inquiries can be small or large and can be in either verbal or written form. Inquiries are received frequently. After dutiful consideration of the suggestions and complaints, the committee decides to inform the borough parliament.

The committees, factions and individual deputies can also have requests and recommendations for the administrative offices. All kinds of requests and inquiries are supposed to be answered by local administrators within two weeks. The response can be in written or verbal form, depending on the issue. Borough deputies do not face any difficulty with access to the local administrations.

While the plenary session is held only twice a year in Hanoi, in Berlin borough deputies listen to the reports of local administrators on their activities every month. The reports are often long, and in order to follow the issues local deputies have to spend time familiarising themselves with the information. During the discussions in the plenary sessions, deputies are free to raise questions, criticize or comment on the work of the local administrations. They are not worried about being seen as troublemakers. They do not keep quiet in a plenary session for fear of damaging their relationships as compared with the case in Hanoi (summary interviews with local deputies in Berlin). Clearly, not all fifty-five borough deputies are active in all events. There are people who do not participate in discussions or even go to the plenary sessions. However, it is explained that there is a division of labor within a party because some borough deputies are not good at discussion in a plenary, but they are good at maintaining contact with citizens. The performance of fifty-five local deputies is very varied. It is important to emphasize that borough deputies are also not professional politicians. Many borough deputies stress that they perform their jobs in their spare time, and usually in the evenings. To be an active local deputy requires a lot of time, but most of them find their job as deputies very interesting as they can learn a lot.

All in all, the operations of the People's Council are rather formal. The People's Councils at the three levels in Hanoi are not really able to hold the corresponding People's Committee

accountable because they do not have a real voice in sanctioning or rewarding local administrations for either good or bad performance. In contrast to the local deputies in Hanoi, borough deputies in Berlin have more opportunity and greater capacity to be effective. Borough deputies do not face role conflict like the local deputies who act as the local officials at the same time.

4.6.3.3 Answerability of Local Politicians

Even though some attention is given to improving the quality of People's Councils, and many deputies have more courage to speak out on the difficult issues during the plenary sessions, the real function of the People's Councils as representatives of the people and monitoring local administration are far from being achieved.

People's Councils at the three levels have a wide range of responsibilities, but are not able to accomplish much because of their limited capacity and power. The Communist Party as the sole legitimate holder of political power plays a critical role in local administration and local councils in Hanoi. It is mostly Party members who have won elections of People's Councils at all levels. At the city level 83.53 percent of deputies are party members, at the district level 81.73 percent and 73.98 percent at the community level (Report of Fatherland Front of Hanoi city on the People's Council Election, the term 1999-2004).

The People's Council does not have any real power over the People's Committee and its professional organisations. If the People's Committee has not followed the demands of the People's Councils, as a last resort the People's Council could report the issue to the corresponding Party Committee (Informant 5, 7).

There is not much to discuss about the answerability of the People's Council when they do not fulfill their roles as representatives of the local people. It does not matter if they perform well or not, because in the next election their party, the CPV, the only party, will be re-elected. People's Councils at the three levels of Hanoi local government are supervised by the Standing Committee of the National Assembly. The higher level People's Council could vote to dissolve the lower level People's Council if it has severely damaged the people's interests. These decisions need to be approved by the Standing Committee of the National's Assembly for the district level and by Hanoi's People's Committee for the community level (Article 17, Law on Organisation of the People's

Councils and the People's committee, 2003). It should be noted that the People's Council is elected by the people in its locality, but can be dissolved by the higher level People's Council. Deputies of the People's Council could be voted out of the council when they do not meet the criteria of a deputy, or if they want to resign from their position.

In Berlin, however, the borough parliament can neither by its own decision nor by referendum be dissolved. In Berlin, the common sanction when representatives do not fulfil their tasks is to not be elected in the following term. This is not the case in Hanoi because people generally do not have a real choice.

In Hanoi, the People's Council has no legislative authority, as the ultimate legislative power rests with the National Assembly. Generally in the Constitution, the Laws on the Organisation of People's Council and the People's Committee in 1994 and in 2003 do not contain a straightforward provision for local autonomy. The final decision is in the hands of the Party Committee at the different levels of government.

In Berlin, the borough does not have full self-government status as defined in Article 28 of the Basic Law. However, it does enjoy great autonomy within its own jurisdiction. The borough assembly has limited power and its role is more a part of the administration than a parliament at the local level. The borough assembly has enough resources to fulfil its responsibilities, making important decisions and controlling the borough administration. Nevertheless, "the performance of borough assemblies is like a show, and rather superficial" (Mr. Dassel, Die Grüne, Mitte District). This superficiality as described by Mr. Dassel, however, is very different from the formality of Hanoi's Local People's Councils. Given the fact that local deputies of the borough assembly are part-time politicians, they have their own interests and motivations for joining the party and for being elected. In a pluralist system, the performance of deputies has a direct influence on their parties in the next election. Therefore, each party has to adjust and change in response to the needs and demands of its locality.

In summary, the level of accountability in Hanoi and Berlin can be seen to results from its transparency and participation. The influence of institution on accountability in Hanoi and Berlin is discussed below.

4.7 *Influence of Formal Institution on Accountability*

Germany is a state controlled by the “rule of law”. The Constitution of Berlin must conform to the principles of the rule of law within the context of the Basic Law.

Article 28 (1) states that the constitutional order in the Länder must conform to the principles of the rule of law, within the meaning of this Basic Law. All persons shall be equal before the law (the Basic Law Article, 3 (1)).

The rule of law principle consists of the following important elements: the separation of power, the legality of the administration, the constitutionality of laws, and the independence of judges. The legislature is bound by the constitutional order, and the executive and judiciary by law and justice. The court operates independently and in accordance with the law. The law provides both the framework and the limits for state action. The executive may take action only when empowered to do so by law (Brunner, Höfer, 1997, p.53, 55). The Constitution ranks highest in the legal order above the laws (acts of parliament), which precede statutory instruments, by-laws and other rules. Any person who claims that his/her basic rights have been violated by a public authority can appeal to the administrative court or to a specialist Constitutional court.

Berlin administration enjoys the “kommunale Selbstverwaltung” which means “local self-administration” in Germany. The “right to local self-government is a constitutional guarantee. When the “right to local self-government” is violated, local government can appeal to the federal constitutional court or a Land constitutional court (or through Land legislation) (Wollmann, 2002, p.4).

Officials, deputies and citizens in Berlin must act in accordance with the law because violation of the law by anyone leads to meaningful sanctions and consequences.

Local self-government in Berlin with its division of responsibility between different levels of the federal government has helped Berlin reduce the overload of public service and reduce overlaps of work between the two levels of administration. The government policies and regulations in Berlin are expected to be relevant at the right time and to be clear so that local officials are unable to use them for their own gain. Local officials are paid well enough and also have adequate qualifications to do their jobs. Moreover, the consequences for the actions of local officials and politicians are clear, strong and meaningful. The formal institutions in Berlin have created a framework which enables local officials and politicians to perform their jobs professionally and within the law.

In Hanoi local officials operate their job in the context of rule by law. One of the requisites of the rule of law is the clarity of law and regulations known in advance and uniformly and effectively enforced. In Vietnam, the quality of regulations and policies is quite poor. It takes a lot of time and effort to issue different decrees and directives, but these guidance documents do not keep up with changes in the reality of life. According to local officials in the People's Committees, policy and regulations from the higher level do not correspond to reality or to the needs of the people. Many documents not in effect tend to be revised, or changed so quickly that local officials say that the documents change like "the weather" – "morning sunny, afternoon rainy" (Informant 1, 2, 6).

While many rules and regulations are changed too often and too quickly, many others, which are no longer suited to new situations, remain unchanged. The law on the operation of local governments is often of low quality, not consistent, and even contradictory. It is often exceedingly unclear as "the light comes half from the moon, half from the lamp" (giờ giăng giờ đèn). The cumbersome regulations and administrative procedures have created many difficulties for businesses, citizens, and even the government agencies themselves. For instance, Hanoi's Department of Planning and Investment reports that there are 20 key procedures and 64 detailed procedures governing business operations under its jurisdiction (Vasavakul, et al., 2009. p.18). Reviewing 7,059 legal documents issued by the Government and ministries (from 1992-1998), 2,014 should be repealed and 1,107 should be amended. Out of 54,806 legal documents issued by local government at the province level there are 9,985 that should be repealed and 1,276 that should be amended. Defective legal documents account for 45% of all legal documents (Source: The statistics of the Review and Systemization of Legal Documents Directing Board from 1976 to December, 1998) (GSC, 2000b, p.22). From 2004 to 2008, 33,155 controlled legal documents issued by ministries and local government resulted in the discovery of 3,460 wrong legal documents (Thiên Long, 2009).

Another important reason for ambiguity, contradiction and even violation of laws in formal regulation in Vietnam is the lack of a constitutional court. When a regulation passed by local government has violated the constitution, there is no constitutional court to deal with this case. For instance, the decision of Hanoi's local government to temporarily cease registration of motorbikes in seven inner urban districts has violated the Vietnamese constitutions. "The citizen enjoys the right of ownership with regard to his lawful income, savings, housing, chattel, means of production funds and other possessions in enterprises

or other economic organisations” (The Constitution 1992, Article 58). Hanoi local government still argues that they made a right decision that suits the special context of Hanoi. The decision was enforced from 2003 to 2005. There have never been any questions on the legitimacy of Hanoi’s local government’s decision from the upper level. Hanoi’s local government has not received any meaningful consequences for violating the constitution.

In Vietnam, there is no independent court. The Supreme People’s Court is directly responsible to and accountable to the National Assembly. This is not a separate institution with an obligation to confirm that laws are in accordance with the constitution, or if public institutions operate in accordance with the law (Tonnesson, 2000, p.250). The Party stands external to and above all State and Government institutions, including judicial ones.

Besides the numerous unstable and out-of-date legislations with which the local officials have to deal, other reasons for low answerability for their actions are the unclear division of jurisdiction between the central and local levels and the ambiguous collective leadership principle.

Local officials have much poorer conditions of working and little professional training. The unequal and non-transparent incomes of local officials at different levels of government are one of many reasons for ineffective local administration and temptation for self-seeking behaviours in Hanoi.

In Hanoi control and monitoring are rather weak, and this, together with meaningless sanction mechanisms have enabled self-seeking behaviours to prevail. The ladder of sanction mechanism might be intended to provide another chance for public officials who have made mistakes to change their behaviours. However, it shown not serious enough and does not make officials afraid of the consequences of their self-seeking behaviours.

Local politicians in Hanoi do not face the real consequence in the next election for their good or bad performance. As the CPV is the only party active in Vietnam, it is not easy to vote them out in the next election if they did not perform their job appropriately. In reality, the Party still plays a main role in the promotion of and sanctions against local officials and deputies. The real power is in the hands of the Party not the People’s councils.

In Hanoi, the low level of accountability is the result of low transparency and participation. Bribery and using network or relationship are solutions that people use to solve the problem in accessing to public information and participating in public policy. There are greater demands from citizens than earlier because many new issues have arisen in this new context (summarised from interviews in Hanoi). In a market economy, people all of a sudden need to deal with public agencies more often to get new services such as building permits, land use rights certificates, and business registrations. The need to access public information on policies or public service is increasing (Informant 2). Many public policies affect a wide range of people, but are often not made public. Moreover, in the transition to a market economy, some information can be so profitable that officials do not want to make it public (Informant 5). For instance, information relating to important policies on investments, planning, and land clearing can be a way for many public officials to make a fortune. In reality, it is not always the case that officials are not aware of their duty to provide information to people. They do not provide information because it is not in their own best interest. Vietnamese people either accept that they only know what public officials allow, or try on their own to get better information or the service they need. This leads to people and businesses using bribery or relationships to deal with public authorities. Together with the imperfect formal regulation, no meaningful sanctions, no rule of law, and the cultural dimension, habits and perception have limited the opportunity for people to officially access information. Those institutional settings with new values in the transition to a market economy, have created a new behaviour in dealing with public authorities.

The perception of accountability and corruption which is widely accepted in society has influenced the behaviours of governance actors in Berlin and Hanoi.

4.7.1 Perception of Accountability

In Hanoi, the Party's role in steering both the state and elected bodies is still pronounced. Many deputies are not aware of their role as representatives of the people. Some even answer that being a local deputy is an assignment by the Party. It seems obvious that local politicians and local administrators in Hanoi are accountable to the Party. One director of a professional agency at the city level explained to whom he is accountable as follows: "I'm accountable to the one, who appoints me. The chairpersons of the People's Committees cannot appoint or remove a high-ranking cadre without agreement of the Party" (Informant

12). It did not come as a surprise when local officials and local deputies mentioned that they were accountable first to the Party Committee at their level, then to the higher level and lastly, as sometimes mentioned, to the people.

In many cases, the sanctions of officials are not carried out according to formal regulations but by party decision. The system of official appointment basically does not change in any meaningful way. Political training, adherence to party doctrine, and loyalty to the party line are still key qualifications for senior positions.

Being a local deputy in Berlin, on the other hand, is driven by an individual's desire and not by assignment as in Hanoi. In answer to the question "Why do you want to be a local deputy in Berlin?" the interviewees had different reasons such as they often criticized politicians and now would like try it themselves instead of just criticizing others in the job; "I have lived and grown up in this district where I know it best, I would like to do something concrete for my hometown"; "I started when I had free time and thought I would like to do something and then I found it very interesting. But in order to do a good job, one must work hard and be disciplined, it is not a job for fun"; "It is a good school where I can learn a lot"; "It is a good start in order to be a professional politician"; "it is not always complaints, I would like to try to make things a little bit better"; "I am interested in politics. I would like to make changes for the better. Being a local deputy gives me the chance to support these changes".

In a western democratic system, citizens will not easily accept when politicians or public officials to apologize openly and admit that they do not have knowledge of or information about specific situations and that's it. In Vietnam, this kind of apology seems to be acceptable in society. For many, it is considered better now because at least they admit they have done wrong and apologize, whereas before, in the centrally-planned economy, that never happened. However, it is very simple to ask why a person who does not have enough knowledge is still in a high-ranking position. Some officials even said that they could not resign if they did not fulfil their job, because their positions were solely a party assignment.

According to the survey response, the reasons for low accountability in Vietnam are: more than 90 percent agree (from very agreed to somewhat agreed) that there are no

meaningful sanctions because jurisdictions don't function independently, and only about 2 percent do not much agree; 100 percent agree (from very agreed to somewhat agreed) that apologizing and admitting limited knowledge by an official are acceptable in society; about 90 percent agree (from very agreed to somewhat agreed) that the habit of hiding the negative and showing only the positive is acceptable; 100 percent agree (from very agreed to somewhat agreed) that there is no effective mechanism to hold officials and politicians accountable; about 90 percent agree from very agreed to somewhat agreed that harmony and consensus is important and requires avoiding talking directly about others' mistakes; 100 percent agree (from very agreed to somewhat agreed) that collective leadership takes no account and officials and politicians generally account to the Party not to the people (See Diagram 13 below)

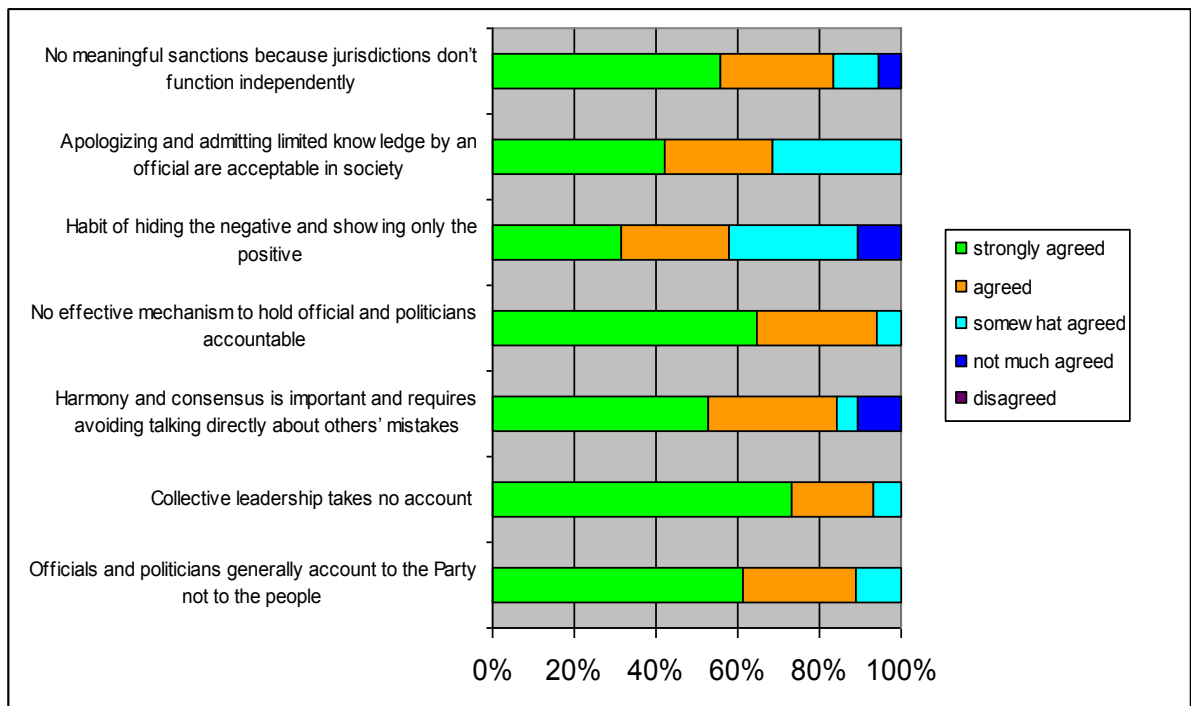


Diagram 13: Some Reasons for Low Accountability in Vietnam

(Source: Own diagram based on the answers to the Questionnaire administered to Foreign Experts working in Vietnam)

4.7.2 Perception of Corruption

In Hanoi, the sort of petty corruption that people are most likely to encounter may not be viewed as corruption at all by a significant portion of the population. Citizens most

condemn the use of the public funds for private gains as corruption but not the petty corruption they encounter (Anderson et al., 2009, p.104).

48.9 percent of interviewees in a survey carried out by the Party Internal Committee admitted they gave gifts or bribes, even though the public officials did not make the suggestion or ask. It is the “quickest and easiest” solution (Vietnamnet, 2006).

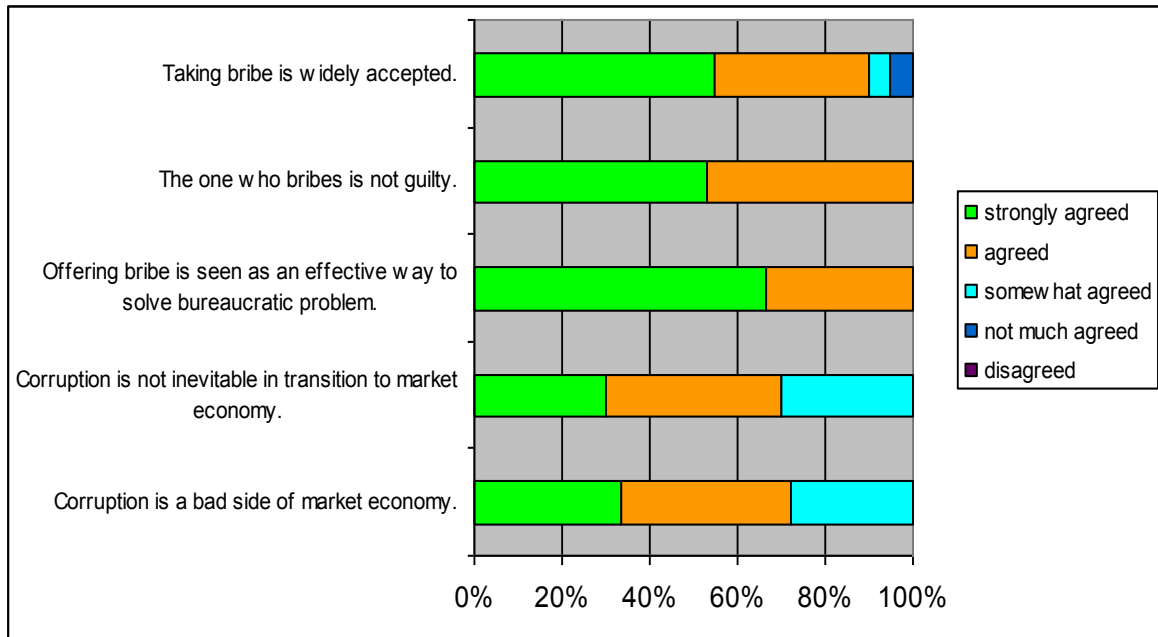


Diagram 14: Perceptions on Corruption in Vietnam

(Source: Own diagram based on the answers to the Questionnaire administered to Foreign Experts working in Vietnam)

A survey on corruption in 10 provinces including Hanoi carried out by the Central Interior Party Committee in 2004 reveals that 71 percent of Hanoi inhabitants have a habit of bribing, 69.1 percent of enterprises in Hanoi bribe, 32.6 percent of cadres and civil servants will take bribes if someone offers, 6.4 percent consider taking bribes to be normal (Trần Tiến, 2006).

According to the observations of the foreign experts, in Vietnam taking bribes is widely accepted (only less than 5 percent of those answering did not much agree), the one who bribes is not guilty, offering bribes is seen as an effective way to solve bureaucratic problems (100 percent answered agree - from very agreed to agreed), for Vietnamese, corruption is not inevitable in the transition to a market economy, and corruption is a bad side of a market economy (100 percent answered agree - from very agreed to somewhat agreed) (see Diagram) A high proportion of Vietnamese people consider that officials

receiving a small gift or money after performing their duties is not corruption (Anderson, Alcaide Garrido, Thi Phung, 2009, p.105). This perception might come from the Vietnamese tradition of showing gratitude to one who has helped.

It is very interesting to see the differences in concept among Berlin and Hanoi local administrators when they answer the question if they would use their power for their own, their friend's or family's advantage. All of the local administrators in Berlin confirmed that they would never do that and added "that is corruption". All of the local administrators in Hanoi said that it is hard to say no, because in the Vietnamese culture, they are bound by family and relationships. Some even said that it is very naïve to even raise the question because the answer is obviously yes. None of them see their action as corrupt but as part of their work that is sometimes very hard and is part of just dealing with relationships.

It is very common for officials to receive presents from people to show their gratitude when officials act "flexibly" or "sympathetically". Before, a small present or other kind of help was a common way to show one's gratitude. In a transition to a market economy this has turned into "an envelope" (with money), making it is easy for an official to decide what he/she wants.

It is hard to differentiate between showing gratitude and bribery. It has become a new habit called an "envelope - culture". In the transition to a market economy, mediation between officials and people brings benefits to both sides. Public officials earn more money or develop relationships, while ordinary citizens shorten the procedures and can achieve what they want.

In Berlin, compliance with laws is expected. Citizens are aware of their civil rights and expect to get equal access to public services. They follow the rules and do not try to get things done quicker by bribing public officials. Berlin citizens can immediately complain about the quality of the services or ask for explanations when they have to wait a long time. On the other hand, public authorities try to improve their services constantly through different initiatives of public administration reform. Public officials as well as citizens are aware of the hard sanctions they might get if they violate laws. Most interviewed local officials and deputies assure others that they themselves are not corrupt but also agree that negative energy always exists. According to them, corruption still exists but it is really

rare. In order to avoid corruption strong control and sanctions are necessary. Public officials are not allowed to receive presents from people or private companies. Sometimes, private companies still try to send presents, but officials have to send them back. The chances for corruption are quite low, because of the serious controls and sanctions. It is difficult to hide a corrupt case because somehow and sometime it will be revealed in the context of free media and multi party system.

4.8 Influence of Informal Institutions on Accountability

4.8.1 Passion Outweighs Reason and Non-Compliance of Law

In Vietnam, the main principles in maintaining relationships with others are harmony, concession and tolerance (Nguyễn Kiến Giang, 1995). There is an attempt to maintain compromise so that there is no absolute loser or winner. In the context of local officials, they should "...forgive the minor misdeed of the fellow community member" (Koh, 2006, p.20).

Values and traditions such as "conforming to compassion" "compassion among neighbours" (tình cảm láng giềng) or "sentimentality around the village well", have great influence on officials dealing daily with people especially at the community level. Most interviewees mentioned that as community officials working at the lowest level, the principles of their positions are generally based not only on rules but also on compassion. The chairperson of a community People's Committee said, it was hard for her to deal with people only based on rules because of the tradition of "compassion among neighbours". You just could not simply apply the rules towards your neighbours, whom you meet very often and who will help you when you are in need (Informant 9).

"Conforming to compassion" means that officials "look the other way" (*bỏ qua*) or are sympathetic (*thông cảm*) and flexible (*linh động*) when they deal with minor law and order offenders or to speed up some administrative procedures. In return for their "compassion", local officials might get paid or receive a returned favor non-materially such as kindness, or reputation as a good person who knows how to deal with people (Koh, 2006, p.15). This kind of mediation happens in almost all public services. This is not new because it was applied quite often in the centrally-planned economy. During that period, by looking the other way, being sympathetic (*thông cảm*) and flexible (*linh động*), officials really helped people to survive under the too-tight control of the state.

Non-compliance with the law is seen as flexibility in Hanoi. In the context of a “jungle of regulations” of low quality and no real supervision or sanctions, public officials play with the regulations – “lách luật” to their advantage without breaking them. Some are quite proud of their ability to take advantage of the poor quality of legal documents.

Local Vietnamese governments have a long tradition of non-compliance with the central government⁷. The existence of the bylaws in each village led to the famous adage: “the customs of the village have precedence over the laws of the king” (Phép vua thua lệ làng). (Nguyễn Thế Anh, 2003, p.102). It is said that a village has been independent of central authority as “a state within a state” (Nguyễn Thế Anh, 2003, p.102).

At present, sometimes local officials adapt the state policy according to the situation and make them work better than the original one, and consequently the higher level ignore this practice (Koh, 2006, p.3)

The interaction among public officials and citizens for their own benefit created a habit of non-compliance with laws, party and government policies. A famous saying is “the party has its policies, people have their way” (Đảng có sách dân có cách).

Under the tradition of rule of law (Rechtsstaat) all local governance participants respect formal rules, unlike the case in Vietnam where both local officials and citizens are willing to break the rules whenever possible. In many cases in Hanoi, officials and citizens want to break the law for their personal convenience and not just when the administrative procedures are extremely long and inconvenient. For example, no one in Berlin seeks to shorten the time for getting an identity card from seven days to within a day or few hours like in Vietnam. It is obvious that these actions are accepted because of several factors such as the lack of transparency and of meaningful impunity. In Hanoi 48.9% of citizens are willing to bribe officials even though they have not been asked. One of the important

⁷ Before every village is a unique, distinct, compact and isolated community with its specific charter (hương ước), and its community house (đình). The hương ước contains a mixture of administrative rules, customary rules and religious guidelines to regulate interactions and relationships within each village’s society. Some people refer to it as the tradition of local self-government in Vietnam

reasons that kind of behaviour often occurs in dealing with public officials is because there is no respect for the law in Vietnam.

In Berlin, laws and rules are created to be followed and are not meant to be broken or to allow exceptions. Most local administrators and deputies confirm that making information available and enabling people to participate are regulated by law. For instance, borough authorities and schools have to inform people clearly about school promotions and school participation. This must be done because it is written in the law (Charlottenburg – Stadtrat CDU). In an individualist society like Germany, cheating and corruption in education are not tolerated. Learning aims at preparing the individual for a place in a society of other individuals. The purpose of learning is to know how to learn in order to cope with new, unknown, unforeseen situation. Learning is life-long and it never ends (Hofstede, 2005, p.98). In a collective society, success in learning is very important, and getting a diploma is an honor to the holder (and his or her in-group – the family). Having the diploma is more important than the ability of the individual to master a subject. That's why, in Hanoi the temptation to cheat is also higher.

The habit of non-compliance with the law in the context of the rule by law system has made local governance actors in Hanoi act based on informal institutions. Other important values that guide the behaviours of the involved actors in governance in Hanoi are family values and relationships.

4.8.2 Family – Relationships

Family is very important to the Vietnamese. More than 90 percent of the foreign experts participating in the survey agree (from very agreed to somewhat agreed) that the Vietnamese have a sense of family but not community. 100 percent of the experts responded that the relationship between people in an office is like a family link (from very agreed to somewhat agreed), More than 90 percent of the foreign experts agree that the younger must obey the older in the family and even in offices (from very agreed to somewhat agreed). 100 percent answered that doing a favor for family members even in a professional context is widely accepted, fulfilling family obligations is the most important (from very agreed to agreed). 100 percent of the experts responded that doing best for the family is most important even it damages community benefits (from very agreed to somewhat agreed). (See diagram 15)

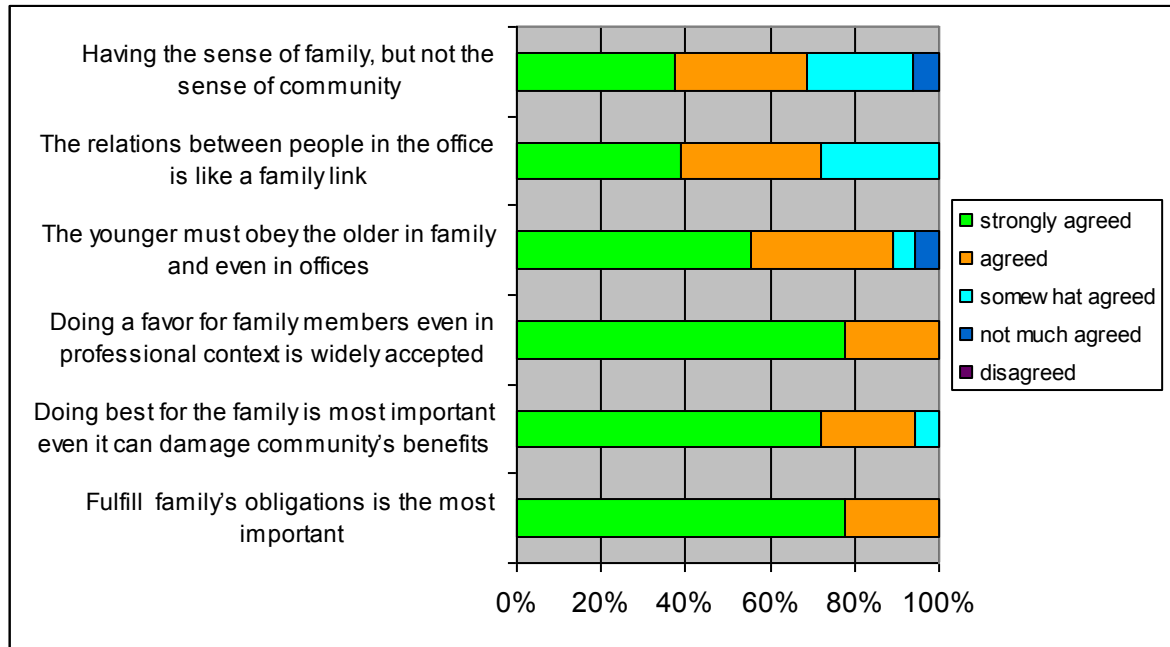


Diagram 15: The Importance of Family

(Source: Own diagram based on the answers to the Questionnaire administered to Foreign Experts working in Vietnam)

The importance of the family, the “nine makes ten” principle together with “conform to compassion” has set the moral and cultural dynamics that encourages officials to help their families, friends and neighbours. It is also the expectation of family, friends and neighbours since most people still believe in the old saying from Confucianism “One of us becomes mandarin and the whole clan gets favors” – “Một người làm quan cả họ được nhờ” (Koh, 2006, p.20).

In Vietnam, relationships play a critical role in the professional jobs of local administrators. “Relationship” is crucial, because people feel security in face-to-face personal exchanges and friendship, but not with any legal code. Creating a “network” in order to do one’s job effectively is very important. The network is very useful for information as well as promoting and supporting local officials.

One of the main tasks of any official is to handle relationships successfully - “relationship adjustment” (điều chỉnh quan hệ). As described, they sometimes have to deal with an unofficial order from the higher level government or friends, or friends of a friend via telephone or an unofficial message. Normally, “it is impossible to not obey the orders of bosses”, a chairperson of a community People’s Committee has said (Informant 1).

Actually, officials have a lot of pressure from many sides, i.e. from the local citizens with “neighbourhood relationships”, from the upper level with “umbrella” relationships and from their self-awareness of performing the job professionally. Officials must use discretion in implementing a policy in a way that pleases others and doesn’t offend or violate the laws and orders at the lowest level. It should not be too hard for officials to do this when there is a “jungle of laws” that are unclear and even contradictory.

The actions of local officials when they violate rules and laws as a favor to bosses, friends and family members are not just to maintain relations and harmony as such. The bosses, friends and family members also try their best to protect local officials when they are in trouble, or do other favors in return. A head of a community People’s committee said that it is hard to discipline his subordinates because most of them are “nieces and nephews of families” (Informant 2). In fact, they are the children of former colleagues, relatives and friends who might work in other wards or public agencies. Even though the answerability mechanism by itself is not meaningful in terms of discipline, local officials are also given sanctions for their wrong actions very formally.

All in all, in Vietnam everyone from the bottom to the higher levels is involved in some kind of personal relationships, which create different kinds of network (Gainsborough, 2010, p. 179). The personal relationship ranges from “...blood or marital ties, shared town, time served together, past obligation and past debts” (ibid. p.178). As one official owes his or her positions to someone, s/he has to do something to pay the debt, to fulfil his/her obligations in return. This creates a circle of further debt and obligation that one actually never escapes. Petty corruption occurs in Hanoi as a way to nurture relationship among officials, between officials and citizens.

Relationships are also important in German society. To maintain harmonic relationships, however, one must not avoid criticizing others in order to keep face or to do others favors including breaking rules. Local administrators and deputies emphasize that they do not hide or ignore the bad behaviour of their colleagues. They would think twice to hide it or to solve it as an internal problem in the party. Anyways the risk is very high to do so, because of the media and other parties. When one violates a law to his/her own advantage, this activity sooner or later will be discovered. “Criticism is a common practice and the way to

criticize is very personal, but the most important is being direct and keeping the points clear so that others can understand them". "Being direct with criticism does not mean insulting others or acting without appropriate diplomacy" (summarised from interviews).

Local officials, local deputies and citizens are at the same time family members. Confucianism stressed that the first place of a person is in his/her family. The welfare and continuity of the family group is more important than the interests of any individual member. Confucius regards devotion to parents and older siblings as the most basic form of promoting the interests of others before one's own. Confucianism emphasized that if a person cannot fulfil his/her family obligations, s/he in general is not a good person. Where there is a conflict of interest, family relations are more important than laws (Quang Dam, 1999, p.194). "Confucians say that family obligations should outweigh all other obligations including one's obligations to obey the law" (Bell, 1995, p.23). Family value has brought many positive aspects in life such as tight family relations, respecting those older and taking care of each other especially the old and children. However, it also has brought negative aspects that seem too intangible for people who have been living in a collective society to recognize. For instance, in an "all-state" system in which the state controlled the economy, society and ideology one of the most important tasks of officials and people in society was struggle for family survival. In the transition period, local officials, deputies and citizens face a role conflict: being good local officials, local deputies, citizens and being good family members. As local officials, they have to decide to perform their jobs professionally and neither take nor ask for bribes. As citizens they should comply with rules and laws. However, if local officials act professionally and do not take or ask for bribes, it can mean the loss of additional income which would help provide their family with better living conditions or to become rich. If citizens comply with rules and laws they have to follow an administrative procedure that takes time and energy. The officials perform their jobs unprofessionally but they earn money for the family. Local deputies do not fulfil their job well but they are able to maintain relationship and stay in positions. Citizens bribe officials to finish an administrative service quicker or get better service for their family. Their roles as fathers, mothers, sons, and daughters outweigh the role of professional officials and good citizens.

Family is important for Germans. However, being a family member does not outweigh being an individual. An individual has a right to freedom and should respect the freedom of

other individuals. As autonomous human beings individuals are free to realize their dreams but at the same time still have a sense of duty to others. In German society, an individual acts and is responsible for his actions. Individuals should act ethically and appropriately. Their actions are not bound by the benefit and reputation of the family. This means local officials and deputies are not responsible for helping their kindredship, nor should they feel bad if they are not able to help them, or be criticized for following the letter of the law and not taking compassion into account. Local officials and deputies in Berlin are free from the pressures from their families to act to their advantage. Individual actions are about realizing dreams but at the same time not violating the rights of others in society. This means that the actions of an individual go beyond benefits for the family but are for others and for the whole community.

In Berlin heads of the administration department in borough administration – the five councillors and the mayor are members of a political party that has won enough seats in the borough assembly. Being a member of a political party does not mean that this party is able to dictate what to do or not to do. As most councillors confirmed, even though they are nominated by the party, they still have their own ideas which can be different from those of the party. If there is a difference there should be an open discussion to understand the arguments from both sides. However, the borough members still stick to their own ideas if they believe that they are better for the inhabitants and the area. Councillors are accountable to the law and to the people who indirectly elect them (summarised from interviews). It is very interesting to note that only one person (Head of the People's Committee) in Hanoi answered that they are accountable to law, then the people and lastly the party committee (Informant 1).

In the transition to a market economy, the interactions among governance actors at local level in Hanoi are also influenced by a new value – prosperity. Currently in Vietnam, many years of material deprivation, being rich, earning money regardless of the earning method (honest or dishonest) is slowly increasingly accepted. In the context of weak formal institutional framework, local officials in Vietnam have more chances to make use of their public power for their own benefit.

4.8.3 Prosperity

In this transition period, the struggle for survival is no longer an issue for many Vietnamese. As Vương Trí Nhàn has described: "Society is in a whirl with money, and who

earns money, is hero” (Vương Trí Nhân, 2012). Earning money and being rich are seen as successes in society. How people earn money and become rich does not matter. Local officials and deputies are under pressure to earn more money so that their family can keep up with the development of society. Officially, civil servants and public employees in Hanoi have low salaries. The real income of officials, however, is not revealed and their real incomes differ depending on their field, their work, levels of government, and their position. No one is able to live on an official salary, but no matter how much that salary is, civil servants still live quite well (Hoàng Tụy, 2006). The low salary of officials is often used to justify their unprofessional behaviour, or even petty corruption.

100 percent of the foreign experts participating in the survey agree that the main reasons for corruption in Vietnam include: corruption as a way of redistribution to compensate for low salaries, earning money and being rich by any means is seen as success in society, tolerance of corruption in society, no meaningful sanction, no transparency, officials has low salary (from very agreed to somewhat agreed); 96 percent agree that there is a tolerance of corruption in society (from very agreed to somewhat agreed, and 4 percent not agree; 93 percent agree that there are no meaningful sanctions (from very agreed to somewhat agreed) (See diagram 16).

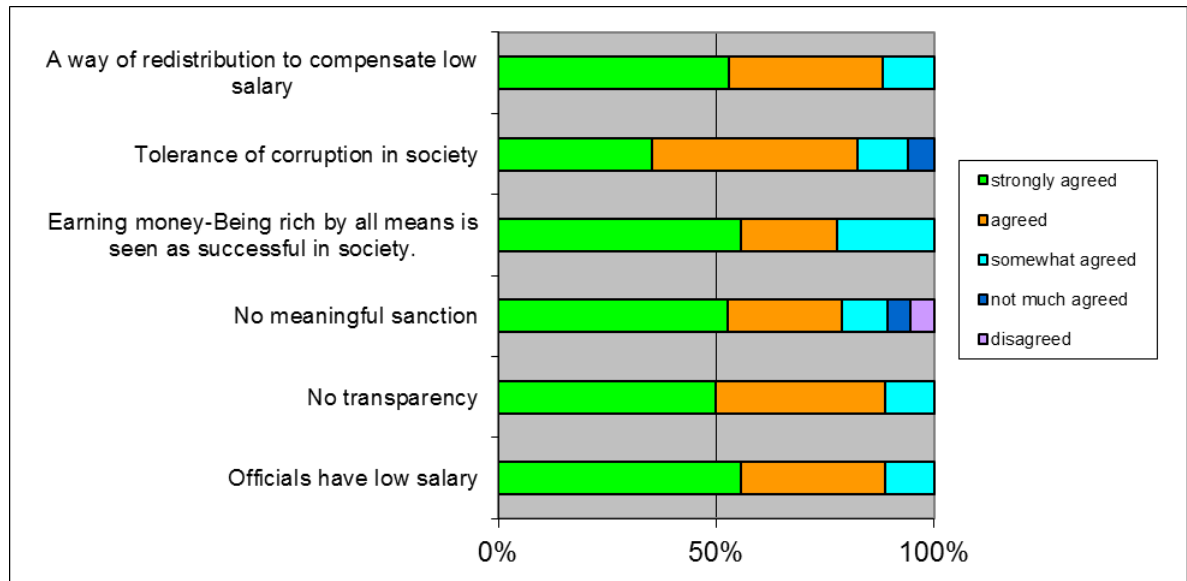


Diagram 16: The Main Reasons for Corruption

(Source: Own diagram based on the answers to the Questionnaire administered to Foreign Experts working in Vietnam)

All actors (local officials and citizens) more or less involved in petty corruption are not really criticized by society or their family members. Most local officials and deputies choose to act as good family members who ensure that their families have a better life. Therefore, bringing additional benefits to the family including the extended family is well-accepted. How they earn money doesn't matter. What matters most is bringing money to their family. Public officials take bribes or are corrupt not to make a living but to make money.

Many good traditions have a strong influence on public officials' behaviour. Values such as family and compassion for neighbours by themselves are good. However, in Vietnam, it is used to justify the unprofessional or corrupt behaviour of public officials. Local officials at least do not feel bad when they misuse their positions. As their action can be justified as they follow tradition, help others and their own family. At the same time, officials do not receive meaningful sanctions for their action. All in all, together with the formal institutions, norms and values in society have allowed petty corruption to prevail in Hanoi.

4.9 Institutionalized Process- Logic of Action- Exogenous Preference

The three systems of institutions: regulative, normative and cultural-cognitive shape logic of actions. The logic of actions consists of: logic of appropriateness driven by the obligatory - "doing the right thing", logic of consequences based on instrumental or strategic rationality - "getting things done" or taken for granted - "that's the way it is". The relative importance of each of these motivational components will differ in a particular action, as will the awareness of the actor, but, by definition, none of the three will be completely absent (Offe, 1996, p.202).

In both Hanoi and Berlin, the logic of actions has developed over time. A number of values, norms and habits, which have been changed and established throughout different institutional setting in Vietnamese history, influence the current logic of action in Hanoi. Individuals in Hanoi have acted according to the logic of consequences. They have been calculating, behaving in ways that will ensure greater benefit and maintained relationships for themselves and have avoided trouble. This calculating seems quite normal as human being everywhere in the world. In Berlin self-interest is constrained by the regulative

system as well as by the normative and cultural cognitive systems. But this is not the case in Hanoi.

Since the CPV has held power in the North of Vietnam, it has brought about radical changes in regulative system as well as normative, cultural cognitive in society.

The centrally planned economy set institutional arrangements in which society was homogenous in all terms from appearance, way of living to thinking. Under “begging and granting” mechanism many unwanted and unexpected habits and practices were born. Those practices such as telling lies or tolerating dishonesty, being passive and independent of the state, being afraid to be different as a way to survive. It is clear that the official shared norms and values of the Party are not reflected in individual’s norms and concepts. But they were not able to behave differently. Breaking rules was not seen as bad during that period because people understand the reasons. In the mid- eighties shortly before “Doi Moi” was launched, rule-breaking sometimes was seen as brave and innovative.

In the transition to a market economy with socialist orientation, the Party still keeps its Marxist and Leninist ideology. This ideology alone has created a weak formal institutional arrangement of good governance. In Hanoi the formal institutions have set a framework in which citizens are neither well informed about public policy, which affects them, nor allowed to participate in policy formulation. All decisions have been made by the only Party – the CPV. People try their own ways to improve such deficits including bribery and relationships. The formal institutions are not able to constrain involved actors in Hanoi to act according to the law through official sanctions. The CPV, since it was established, has been trying to cultivate a new revolution ethics in its members and citizens However, this teaching does not work either in current society development.

When the regulative pillars are not able to fulfil their formal sanction as eccentric mechanism, social norms and practice and routines play a critical role in shaping code of behaviours as intrinsic mechanism. However, it seems to be that those intrinsic mechanisms to guide individuals’ action do not function.

Many values and traditions in Vietnam are influenced by “three religions”: Confucianism, Buddhism, and Taoism. Since 1954 in the whole north of Vietnam under the leadership of the CPV, the practice of religion was not encouraged but suppressed. The practice of those philosophies in Vietnam, however, is quite superficial. In Vietnam, even now most people who call themselves Buddhists “...had a poor grasp on the Buddha’s teaching and practice a deformed version of the religion” (McHale, 2004, p.145).

Many values in Confucianism have been transformed into daily practices and belief, but the majority of Vietnamese do not understand “Confucianism” with its comprehensive spirit and teachings (McHale, 2004, p.67). Stated differently, those philosophies are not able to shape the code of behaviour for involved actors in Vietnamese society.

In the transition to a market economy with socialist orientation, people try their best to be more prosperous. Being rich no matter how is seen as “doing the right thing”. Prosperity becomes a dominant norm (logic of appropriateness). It is more desired than other norms and obligations such as honesty and fairness. The values such as family and harmony are misused in a very short-sighted way to justify action.

Over the time since centrally planned economy to present, under the low level of transparency, participation and accountability petty corruption has slowly spread. After almost twenty years of “Doi moi”, petty corruption is not recognized as a corrupt and wrong behaviour in society. It is seen as normal, a part of daily life, and “the way to do things” in Hanoi.

In contrast to Hanoi, the formal institutions in Berlin provide a strong framework for a high level of transparency, participation and accountability. The normative and cultural-cognitive dimensions including the traditions of local self-government, rule of law (Rechtsstaat), subsidiarity, individualism and plurality are highly valued in current German society. These traditions have a strong influence on Germany’s public sector and society. Local officials and deputies and citizens as individuals of society act and interact according to the well-accepted “logic of appropriateness” and “logic of consequences” in German society.

In Berlin the logic of appropriateness and codes of conduct are respect for laws, respect of individual freedom and ideas and awareness of community development. People in Berlin take for granted that public services are delivered to them fairly. Ideas such as using money or relationships to shorten public administrative procedures do not exist in the mind of either public officials or citizens. People have enough platforms to voice their concerns, opinions, and criticisms. People will not tolerate corrupt behaviours.

Under the high level of good governance in Berlin “doing the right thing” means acting according to the laws and respecting other individuals and public interests. A strategic rationale such as making more money or benefiting one’s family by violating laws is not

accepted. It is inappropriate and criminal to break the laws in self interest (no matter what for family or for harmony). Corrupt behaviours, no matter at what level, petty or state-capture corruption, can not be justified by any norms and values in German society. Through the history of Germany's development, under the rule of law, officials and citizens are expected to act in accordance with the law and this behaviour becomes institutionalized as the way it is.

Individuals' behaviours also are affected by what people are motivated to do and what they are able to do.

This logic of action which is widely accepted in Vietnamese society is exogenous preferences. It means that not all individuals in Hanoi agree or are comfortable with this current shared appropriateness in the society.

There are differences between the understanding of values and norms and the concept of self that individuals hold with the shared understanding of practices and routine in society. Individuals must cope with the constraints and pressures of the environment consisting of others (organisations, groups, citizens) to survive. In a collective society such as Vietnam is, it is even harder to be different.

In Hanoi, petty corruption in administrative services is prevalent and becomes common routine and practice in dealing with local officials. Perhaps most people do not like to bribe officials or to use relationships in order to obtain public services. However, public officials, journalists, and citizens, who condemn informal mediations between officials and citizens, would act the same in their private life in order to get things done. Officials might also be tired of dealing with their jobs based on informal rules including maintaining relations, and harmony. They are able to see that the formal system does not work well and that ethics are degraded. Being in the system, it is quite hard for officials not to be involved to some extent. Many officials realize that the "negative" phenomenon in public offices prevails and the number of people willing to stand up and speak out is very small. Public officials do not speak out with their own thinking and fight against corruption because of the fear of revenge being taken against them. 85.4 percent of public officials do not dare to fight against corruption because of that fear (Survey of Central Party Committee, 2006). Most keep silence or look away to avoid trouble for themselves and their family in order to live in peace. It is difficult to have a different mindset and to work professionally in an institutional setting where making money by taking advantage of one's position is not criticized but is accepted. If one acts differently s/he would be thrown off the team easily. As a retired chairman in a district and a senior cadre at the district level explained, it is very hard to do

your job professionally, to be public-spirited and selfless. If you did, you would be “out of the team”, “lose your chair” (Informant 8, 10).

In Berlin possibly there are some individuals are willing to break the rule to get things done better. If someone is motivated to break rules, the question is whether s/he is able to do it. But this kind of behaviour is not accepted in German society. In the institutional setting of Berlin compliance with rules is common and expected.

Individuals may have difficulty resolving conflicts between the common practices and “logic of appropriateness” and the alternative concept of self. They may not know what to do or even if they do, they may have no ability to do it. “Institutions influence behaviour not simply by specifying what one should do, but also by specifying what one can imagine oneself doing in a given context” (Hall, Taylor, 1996, p.15). In the Vietnamese context, only following the laws in performing one’s job would not be imaginable, while in the German context not following the laws is not imaginable.

In the German context one is supposed to act according to law and be free to express one’s own opinions. In Vietnam free expression is limited by the Party’s definition of freedom and socialist democracy. In this case, many individuals have to suppress their real norms, values and concepts. Superficially they have to follow the shared logic of action in the whole society.

5. Conclusion

Good governance in Hanoi and Berlin is at the two extremes of the scale. While governance in Berlin is almost at the top of the scale, governance in Hanoi is at the other end. This does not mean that transparency, participation and accountability in Berlin are already perfect and not in need of improvement. It is important to bear in mind that because of the different level of development in Germany and Vietnam within the scope of this research good governance criteria have been analysed in narrowly defined aspects to make the comparison between Hanoi and Berlin possible and to be able to observe the interaction among involved local governance actors in those cities.

This researcher's descriptions of good governance in Hanoi and Berlin have been done somewhat in "black and white" colours here in order to highlight the significant differences between them.

The study emphasizes three main findings in answering the questions why Berlin and Hanoi have reached those levels of good governance. First, it is recognized that official regulative principles (ideology, governance approach) shape the existing formal institutions of the two countries. Second, unintended institutional transformations in Vietnamese society including the distortion of traditional norms and values occur under the leadership of the CPV. Finally, lessons can be learned from Berlin how to change the institutional weaknesses in Hanoi.

Firstly, the key differences in formal institutions (regulative and cognitive pillars) between Berlin and Hanoi are the three main principles: rule of law vs. rule by law, pluralism vs. monopoly party in politics and market economy with socialist orientation vs. market economy.

In Berlin, transparency and participation as basic human rights are ensured by the Basic Law. The Information Act defines in detail what kind of information citizens can access and also how public authorities should answer requests for information. Participation in Berlin follows the pluralism principle that ensures the diversity and freedom of participation.

The favored regulative systems (formal regulations) of transparency, participation and accountability have been designed in Berlin. The regulative system provide the necessary conditions for good governance, but this alone is not sufficient to ensure good governance

Good governance in Berlin could not have been achieved if the involved actors did not act according to these formal regulations. Rule of law is one of the preconditions that makes all involved actors to comply with formal regulations. The rule of law ensures that law is equal for all. Law is seriously enforced and respected by all involved actors.

In Vietnam, the Constitution also states the right of citizens to be informed, to express their view, and to participate. Instead of being enforced, those rights have been redefined and restricted by other legal documents. Laws and other legal documents sometimes are not in accordance with the Constitution. This problem cannot be solved, because a separate institution with an obligation to verify whether or not laws are in accordance with the constitution does not exist. Moreover, the Court is not independent and the Supreme People's Court is accountable to the National Assembly.

In Hanoi, the implementation of laws and regulations is not consistent. On one hand, laws, and regulations which protect the monopoly of the CPV (Law of People's Council Election) in politics are seriously enforced. On the other hand, laws and regulations such as Law of Association which can potentially threaten the CPV's position are not passed.

Lacking an efficient mechanism such as free and competitive election and rule of law, it is difficult to hold the CPV accountable for their actions.

The two principles rule by law and the monopoly of the CPV in politics have had a strong impact on the governance approach in Vietnam. This is very far from the modern governance approaches in which the participation of the private sector and civil society in governance processes is encouraged. In Vietnam, the private sector has only recently been accepted in economics. Indeed, the line between the private and public sectors is quite blurred, because private companies are extremely dependent on connections with officials to do business. Civil society as the "third sector" of society does not exist. Government does not always complete its tasks according to the formal laws and regulations

Secondly, the monopoly leadership of the CPV leads to formal institutional weakness and unintended institutional transformation in Vietnamese society.

The transformation of an institution is the product of the deliberate interventions of powerful individuals or organised groups in order to achieve their goals. Their intentional

interventions lead to change, but it is not assured that the change is exactly as intended. The changes may benefit some or all or none of the intentional agents (Goodin, 1996, p, 25). The Communist Party designed the formal institutions after the successful Revolution in 1945. Driven by Marxist, Leninist and Stalinist ideologies, the all state system has been established in North Vietnam since 1954. In 1986, within the context of international and internal environmental changes, the Communist Party was forced to reform. From the beginning, the Doi Moi policy has had an unusual and distinctive character that is the acceptance of private sector and market economy, but with the critical role of state enterprises in economics. Within the confines of a socialist orientation, the Vietnamese market economy is not set in concrete, but the leadership of the Communist party is firmly assured.

Institutions have their own life. The current formal institutions in Vietnam are still heavily influenced by the institutions of the centrally planned economy. The reform is not intended to replace the old formal institutions of the centrally planned economy based on administrative order by a completely new institution of a market economy based on rule of law (MacLean, 2012, p.601). Cautious steps in the reform of public administration have been implemented. Decentralisation in the sense of political devolution is not accepted, because of the fear of losing unity.

Indeed, the current institutional setting is a mixture between the old institutions and the new institutions of the transition to a market economy. After more than 20 years of Doi Moi, the Party does not want to make any meaningful initiatives to change the structure of polity in the direction of separation of power and pluralism.

The unclear division of jurisdiction between the central and local levels with their numerous unstable and out-of-date legislations, and the ambiguous collective leadership provide favorable conditions for local government to operate unprofessionally.

The regulative, normative and cultural-cognitive systems of institutions play a "preceptorial" role (Lindblom (1977). They accomplish a socializing function because they frame how people "ought to" behave and relate to each other, and what they legitimately can expect from each other (Offe, 1996, p.200). The three systems of institutions interact with each other by support or competition.

When the regulative system (formal institutions) does not function well, it will create an opportunity for the normative and cultural cognitive systems (informal institution) to work.

The weakness of formal institutions brings about a low level of transparency, of participation and of accountability. In these setting new interactions among officials, deputies and citizens have been developed. Local actors (politicians, officials and citizens) still formally follow the regulative system “on the surface”, although when it is possible they are willing to break rules for self-interest “beneath the surface”. Their self-seeking behaviours are justified by the informal institutions (normative and cultural-cognitive systems).

After the Revolution and under the leadership of the CPV, religions have very limited influence on the behaviours of Vietnamese. The interactions among people in the society do not follow the comprehensive teaching of Buddhism and/or Confucianism.

The actions of individuals are guided neither by virtue in accordance with the Party’s teaching nor the teaching of Buddhism and Confucianism. Vietnamese society slowly gets used to the inconsistency and hypocrisy of the Party. The Party says one thing and does another. The integrity of party members in setting a good example for people does not function as expected. Being rich no matter how is seen as success in society. Actually behaviours of involved actors in Hanoi are more strongly driven by the aim of being rich than any other teachings.

Non-compliance with laws and corrupt behaviour are both gradually being taken for granted. Under a weak formal framework of good governance, new values and norms (prosperity, achievement) generated in the transition interact with the habits of the centrally-planned economy (telling lies, dependence, passivity) and traditional values (hierarchy, harmony, family, collectivism) influence behaviours of involved actors in governance.

Many traditional values including family and harmony within the institutional framework in the transition to a market economy have been distorted in order to justify unprofessional, dishonest and corrupt behaviours. The regulative, normative and cultural-cognitive systems of institutions in Hanoi fail to cultivate good officials, deputies and citizens.

In Berlin, the opposite is true. If an official or deputy acts unprofessionally, or corruptly, s/he will be out of the team. People need to fit in, to behave in ways that are acceptable to the groups they belong to (Hofstede, 2005, p.13).

Rules and understandings frame thought, shape behaviour, and constrain interpretation. Rule following can be viewed as contractual and the implicit agreement to act appropriately in return for being treated appropriately (March, Olsen, 1995, p.32).

Institutionalized actions including practices and routines, as well as their interpretation must be built on a shared understanding of acceptable behaviour, but such understanding does not necessarily require the kind of shared values and cognitive frames to be shared by all people (March, Olsen, 1995, p.34, 35).

No matter what reasons are used to justify those actions of self-interest there is a terrible loss to society through the degrading of morals and important values such as honesty, courage and justice. As Mr. Trần Quốc Thuận - National Assembly Deputy said “this mechanism creates opportunities for corruption. [...] The biggest loss here is not public money, but morals. We live in a society in which we have to tell lies to each other to survive. [...] Telling lies every day becomes a habit. The habit is repeated and becomes “moral”. This moral is very immoral”. The shared practices and routines such as petty corruption, non-compliance with laws, and unprofessional performance bound by the high values in family, harmony, and prosperity, do not necessarily reflect the real preferences and values of each individual in Hanoi.

However, a certain amount of value consensus is essential to shared routines, and a certain amount of shared understanding of rules is essential to maintaining the understanding of values. “Giving priority to private interests and preferences is seen not merely as a corruption of the political process but also as a corruption of the soul and a fall from grace” (March, Olsen, 1995, p.37).

Third, it is clear that good governance is not achievable if citizens and officials are concerned only with their self-interest. Citizens and officials are presumed to act according to norms associated with their roles rather than in pursuit of personal advantage and interests. Either what is good for one individual is the same as what is good for other members of the community, or actions are supposed to be governed by consideration of the community as a whole (March, Olsen, 1995, p.36).

Theoretically to achieve good governance in Hanoi, institutions (formal and informal) which are able to create good citizens, officials and deputies should be generated and developed. Good institutions are “good” to the extent that they generate and cultivate good

officials and citizens who act in ways consistent with the common purpose. Institutions shape the behaviour of citizens and officials, and in turn, their actions are also institutionalized and create new institutions. Thus, good citizens and officials make good institutions. The results of the case study in Hanoi and Berlin support the idea that state and society are interdependent.

Good citizens are good by habit rather than by nature. The regulative systems (formal rules, legislations) "...make the citizens good by training them in habits of right actions – this is the aim of all legislation, and if it fails to do this it is a failure" (Husted, 2006, p.177). The formal institutions including punishment, incentives, and oversight are useful in developing proper citizens and officials.

Hanoi needs good institutions that develop good officials, deputies and citizens. The formal institutions must move towards greater acceptance of the rule of law. The normative and cultural-cognitive systems which give greater importance of the pluralist democracy, subsidiarity than collectivism should be considered.

In order to establish new proper behaviours of people, officials, and deputies, the regulative system with its sanctions plays a critical role in changing the state of mind of people. The rule of law principle is necessary for the professional performance of local administrations and People's Councils. When the rule of law is applied consistently, the room for informal institutions to operate will be reduced. Officials and citizens will learn how to act in accordance with the law. The traditions of non-compliance with the law will be slowly substituted by compliance with the law.

The misunderstanding of individualism as egoism should be changed. Individualism has a controversial relationship with egoism (selfishness). However, acting under the name of the family, consensus and harmony in Hanoi is indeed very selfish and short sighted because it leads to a low quality of life, no sustainable development and an unjust society. Individualism in Kant's description of an enlightened person is one who "makes use of her own mind without the direction of others and who addresses "in freedom' herself as a moral person to the public" (Masschelin, 2004, p. 361). This understanding is necessary for people in Hanoi to better understand citizens' rights, to require officials and deputies to act more professionally and to act in a more responsible way for the community instead of for their family only

The Party is still in power; materially, the standard of living of the Vietnamese and Hanoians is improving but the other social and environmental standards are very poor. The unintended consequence of the deliberate reform actions of the Party is the prevalence of corruption. The socialist orientation seems not to have been achieved as the gap between the rich and the poor has widened.

The Communist Party is more or less stuck in the middle between doctrinal Marxism and the new problem of social and economic development. The intention to achieve reform in economics but not polity brings about changes in what is intended and not intended.

In this study, only petty corruption in Hanoi has been researched. Other types of corruption such as state-capture are not mentioned. In the transition to a market economy, the Communist Party has now admitted that corruption is a national problem. The legitimacy of the CPV is now challenged because of its corrupt members.

The loss of trust in the Party may also be a good reason for the Party to take meaningful steps toward formal structural reforms to create good institutions and to achieve good governance in Hanoi. But how can good institutions be generated under existing institutions? Is it possible to transform a good model such as that of Berlin to Hanoi?

The critical principles of formal institutions which determine good governance in Berlin are pluralism and rule of law. Is it impossible to transfer the formal regulations from Berlin to Hanoi? Yes, it is impossible. In order to enforce those principles in Vietnam, the Party needs to become aware that it can be the dominant Party in politics, but it cannot be the only one, and cannot be above law. Even though formal rules may change overnight, the Party will not make any meaningful initiatives to change the formal structure in this direction, because these principles obviously endanger the CPV's power. It is important to keep in mind that, even if those changes did happen, the resistance of the old practices and change in minds of involved actors takes time.

There is a need to change the perceptions and expectations of the roles of officials, deputies and citizens. However, it is impossible to change the way people in a country think, feel and act simply by importing foreign institutions (Hofstede, 2005, p.20). Donors are able to advocate reform concepts they consider necessary, but are not able to implement them for the Vietnamese. Promoting good governance in Hanoi is dependent on the need and desire for change in the government and people themselves. Good governance in Berlin can be seen to be the result of the efforts of the local government

and citizens after a long period of development and continuous adjustment. An institution exists when it survives the dual test of “making sense” and “being fit” for its mission (Offe, 1996, p.201).

The informal institutions exist because they “make sense” and fit the formal ones. Institutional transformation is a process in which people “get used to” and “make sense of” or “cope with” the institutions. These are slowly adapted to a set of standards, obligations and expectations that in Weber’s terminology is referred to as the “spirit” (Geist) of institutions (Offe, 1996, p.218). Institutions generate the state of mind in people in moral commitments, codes of appropriate conduct, a reasonable measure of trust in their proper functioning and the like (Offe, 1996, p.218). As these new institutions (values, norms and practices) are formed, they will have their own dynamics - their path. They cannot easily be exchanged or replaced.

In Vietnam, the institutionalized practices, values and norms during the transition to a market economy with the socialist orientation are the result of the interaction among the politico administrative structure, the good governance level and culture.

Institutional transformation is always a long and complicated process because the change in formal regulations as well as in the way they are implemented may meet strong resistance from the established practices. This study has attempted to point out the weaknesses of the institutions of Hanoi and has identified factors affecting future development towards good governance. Changes in formal institutions to achieve good governance in Vietnam are desirable. However, the CPV still keeps its definition of “socialist democracy” and does not want to move to a truly pluralist democracy. Any demands for change in this direction maybe considered as anti-revolutionary and/or destroying the Vietnamese socialist country. The way to good governance in Hanoi seems to be distant and unpredictable. Institutions have their own path and institutional change may be evolutionary or revolutionary.

This research is not able to determine how long it will take to change the institutional setting of Hanoi in order to achieve good governance. Further research on the achievement of good governance in other Asian countries such as Japan, Korea and Taiwan would be helpful. Those countries have achieved much higher levels of good governance and development despite their Confucian Asian culture

Appendix 1: General Information of Hanoi (2004)

		Square (km ²)	Population (person)	Density (person/km ²)
Hanoi	9 Urban districts, 5 rural districts	927, 97	3,083,800	3,348
9 Urban districts				
<i>4 inner urban districts</i>				
Ba Dinh	12 wards	9,248	225,282	24,360
Dong Da	21 wards	9,96	352,000	35,341
Hai Ba Trung	20 wards	14,65	378,000	25,802
Hoan Kiem	18 wards	5,29	173,000	32,703
<i>5 Urban districts</i>				
Cau Giay	7 wards	12,04	147,000	12,209
Hoang Mai	14 ward	41,01	187,732	4,533
Long Bien	14 wards	60,34	170,706	2, 829
Tay Ho	8 wards	24	100,000	4,167
Thanh Xuan	11 wards	9,11	173,000	18.990
5 Rural Districts				
Dong Anh	24 Communes	182,3	276,750	1, 518
Gia Lam	22 Communes	114	205,275	1791
Thanh Tri	24 Communes	98,22	241,000	2,454
Tu Liem	15 Communes	75,32	240,000	2,841
Soc Son	25 Communes	306,51	254,000	829

(Synthesised from <http://www.hanoi.gov.vn/hanoi/render.userLayoutRootNode.uP>
Hanoi Portal)

Appendix 2: Twelve Boroughs of Berlin (2006)

Borough	Population November 2006	Area (km²)
Charlottenburg- Wilmersdorf	315.702	64,72
Friedrichshain-Kreuzberg	265.843	20,16
Lichtenberg	258.944	52,29
Marzahn-Hellersdorf	249.802	61,74
Mitte	326.500	39,47
Neukölln	305.691	44,93
Pankow	358.073	103,01
Reinickendorf	242.652	89,46
Spandau	224.342	91,91
Steglitz-Zehlendorf	288.848	102,50
Tempelhof-Schöneberg	332.140	53,09
Treptow-Köpenick	236.722	168,42

Appendix 3: The Politico Administrative System of Hanoi

Level	Communist Party	Communist Party			
Central	Politburo (18 members) Central Party Committee (140 members)	Legislation National Assembly Standing Committee	Executive Cabinet Ministries	Jurisdiction People's Supreme Court	Mass Organisations Fatherland Front Youth's League Women's Federation Veteran's Association Elderly People's Association
Hanoi City	City Party Committee	Executive Hanoi's People Council (95 Deputies) Standing Committee Specialised Committee	Hanoi's People Committee (14 members) City departments	People's City Court	City Fatherland Front
Districts (14)	District Party Committee	District's People Council (30-40 Deputies) Standing Committee Specialised Committee	District's People Committee District department	People's District Court	District Fatherland Front
Ward Commune (229)	Commune Party Committee	Commune's People Council Standing Committee	Commune's People Committee		Commune Fatherland Front
Urban quarter or Commune subdivisions	Party Cell	Head of the urban quarter Vice of the urban quarter			Cadres of Fatherland Front, Women's Federation, Veteran's Association, Elderly People's Association

Appendix 4: The Structure of Professional Agencies at Three Levels of Hanoi Local Government

<i>Nr.</i>	<i>Central level</i>	<i>Municipal/city level</i>	<i>District level (9 urban districts, 5 rural districts)</i>	<i>Communal level</i>
	Ministries and ministerial agencies			
1.	Ministry of national defence	Capital Military Zone	District Military Board	Head of Police
2.	Ministry of National Security	Department of Police	Police Bureau	Military Commander
3.	Ministry of Foreign Affairs	Department of Foreign Affairs		
4.	Ministry of Justice	Department of Justice	Justice Bureau	Office and Statistic Cadre
5.	Ministry of Finance Government Treasure Government Custom Department General Department of Taxation	Department of Finance Hanoi Treasure Department Hanoi Customs Unit Hanoi Department of Taxation	Finance Bureau Tax Bureau Treasure Bureau	Finance and Accountant
	Ministry of Trade	Department of Trade		Culture and Social Affairs Cadre
6.	Ministry of Labour, Invalids and Social Affairs	Department of Labour, Invalids and Social Affairs	Labour, Invalids and Social Affairs Bureau	
7.	Ministry of Transportation	Department of Transportation and Construction	Construction Inspectorate Bureau	Land and construction Cadre
8.	Ministry of Construction			
9.	Ministry of Fisheries			

10.	Ministry of Culture and Information	Department of Culture and Information	Culture and Information Bureau	
11.	Ministry of Education and Training	Department of Education and Training	Education and Training Bureau	
12.	Ministry of Agriculture and Rural Development	Department of Agriculture and Rural Development	Veterinary Bureau	
13.	Ministry of Industry	Department of Industry		
14.	Ministry of Planning and Investment	Department of Planning and Investment	Planning and Economic Bureau	
15.	Ministry of Public Health	Department of Public Health	Medical Centre	
16.	Ministry of Science and Technology	Department of Science and Technology		
17.	Ministry of Natural Resources and Environment	Department of Natural Resources and Environment	Lands and Houses Bureau	
18.	Ministry of Post and Telecommunication	Department of Post and Telecommunication		
19.	Ministry of Home Affairs	Department of Home Affairs		
20.	The State Inspectorate	The City Inspectorate	The District Inspectorate	
21.	The State Bank	The City Bank	The District Bank	
22.	Committee for Sport and Games	Department for Sport and Games	Sport and Games Bureau	
23.	Committee for Ethnic Groups			
24.	Committee for Population, Family and Children	Hanoi Committee for Population, Family and	District Committee for Population, Family and	

		Children	Children	
25.	Office of the Government	Office of People's Committee and People's Council	Office of People's Committee and People's Council	
	Government-affiliated agencies			
26.	Central Commission for Emulation and Remuneration	Hanoi Commission for Emulation and Remuneration		
27.	General Department of Tourism	Department of Tourism		
28.	General Department of Statistics	Department of Statistics	Statistics Bureau	
29.	Voice of Vietnam	Voice and Television of Hanoi		
30.	Press Agency of Vietnam	Journal of Economics and Urban		
31.	The National Television Station			
32.	Government Commission for Religion	Hanoi Commission for Religion		
33.	Government Commission for Code			
34.	Institute of Social Science			
35.	Institute of Science and Technology			
36.	State Audit			
37.	Social Insurance of Viet Nam	Social Insurance of Hanoi	District Social Insurance	
38.	The Management Board of the Ho Chi Minh Mausoleum			
39.	Ho Chi Minh Political Academy	Le Hong Phong political school	District political centre	

(Synthesised from <http://www.hanoi.gov.vn/hanoi/render.userLayoutRootNode.up> Hanoi Portal and from <http://www.vietnam.gov.vn/portal>, Vietnamese Government Portal

Appendix 5: Hierarchical Effect of Legal Documents

Organisations	Legal documents
National Assembly ↓	Constitution Code, Law Resolution
N.A's Standing Committee ↓	Ordinance Resolution
State President ↓	Order Decision
Government ↓	Resolution Decree
Prime Minister ↓	Decision Directive
Minister ↓	Circular (Inter-ministerial circular) Decision Directive
People's Council ↓	Resolution
People's Committee	Decision Directive

(Sources: The Law on Issuing Legal Documents, 1996)

Appendix 6: Regulations on Information in Vietnam

A simple inventory of provisions on the information to be made public by all sectors of government found that there are many laws and other legal documents containing such provisions:

1. Ordinance on State Secrets (2000)
2. Decree 33, on the implementation of the Ordinance on State Secrets (2002)
3. Law on Anticorruption (2005)
4. Decree 120, implementing some articles of the Law on Anticorruption (2006)
5. Decree 47, detailing and guiding the implementation of the Law on Anti-Corruption regarding the role and responsibility of society in corruption prevention and control (2007)
6. Ordinance on Grassroots Democracy (2007)
7. Law on Publishing (2004)
8. Law on Statistics (2003)
9. Law on E-transactions (2005)
10. Law on Information Technology (2006)
11. Decree 64, on IT application in state agencies (2007)
12. Law on State Budget (2002)
13. Decree 60, on the implementation of the Law on State Budget (2003)
14. Prime Minister Decision 192, on public finance transparency (2004)
15. Law on State Audit (2005)
16. Decree 91, on the publication of auditing results and outcomes of the realization of auditing conclusions and proposals of State Audit (2008)
17. Law on Bidding (2005)
18. Decree 58, guiding the implementation of the bidding law and selection of construction constructors (2008)
19. Law on Management and Use of State Property (2008)
20. Decision 115, promulgating the regulation on publicity of the management and use of state property at state agencies, public non-business units and organisations assigned to manage and use state property (2008)
21. Law on the Promulgation of Legal Normative Documents (2008)
22. Law on the Promulgation of Legal Normative Documents of People's Committees and People's Councils (2004)
23. Prime Minister Directive 32, on the settlement of people's and enterprises' affairs (2006)

24. Decision 7 of Office of Government, on organizing individuals' and enterprises' feedback on administrative procedures via website (2006)
25. Decree 20, on handling individuals' and organisations' feedback on policies and administrative regulations (2008)
26. Prime Minister Decision 7, on the implementation plan of simplification of administrative procedures (2008)
27. Press Law (1989, amended in 1999)
28. Decree 51, on the implementation of the Press Law (2002)
29. Prime Minister Decision 77, on making statements and supply of information to the press (2007)
30. Prime Minister Decision 1390, on cooperation between among various ministries and central agencies in providing information to the press (2008)

Source: Maria Delfina Alcaide, (2009): "Access to information in Vietnam-current legal framework", in Anderson, Alcaide Garrido, Thi Phung, 2009, p.123

Appendix 7: Minimum Wage Equivalent to \$ and the CPI increased

	Exchange rate VND/1\$	Minimum wage/month (VND)	Equivalent to (\$)	Minimum wage increase d %	Consumer Price Index increased (%)
1994	10.926	120.000	10,9	-	-
1995	11.015	120.000	10,8	-	12,7
1996	11.036	120.000	10,8	-	4,5
1997	11.689	144.000	12,3	0,2	3,6
1998	13.263	144.000	10,8	-	9,2
1999	13.945	144.000	10,3	-	0,1
2000	14.168	180.000	12,7	0,25	-0,7
2001	14.800	210.000	14,2	0,16	0,8
2002	16.014	210.000	18,1	-	4,0
2003	16.151	210.000	21,7	-	3,0
2004	15.766	290.000	22,2	0,38	9,5
2005	15.746	350.000	22,2	0,28	8,4
2006	15.983	450.000	28,2	0,28	6,6
2007	16.119	450.000	27,9	-	12,6

(Synthesised from www.gso.gov.vn General Statistic Office)

Appendix 8: Main German Political Parties

Alliance '90/The Greens - (Bündnis 90/Die Grünen)

Christian Democratic Union of Germany (Christlich Demokratische Union Deutschlands - CDU)

Christian Social Union in Bavaria CSU - Christlich-Soziale Union in Bayern

Free Democratic Party (Freie Demokratische Partei - FDP)

Party of Democratic Socialism (Partei des Demokratischen Sozialismus, PDS) - PDS,
renamed The Left Party (Die Linkspartei - PDS)

Social Democratic Party of Germany (Sozialdemokratische Partei Deutschlands - SPD)

Appendix 9: List of Interviews in Berlin

Nr.	Name	Districts
1	Herr Jens-Holger Kirchner - (Die Grünen) Bezirksstadtrat Abteilung Öffentliche Ordnung	Bezirksamt Pankow
2	Herr Dr. Franz Schulz - (Die Grünen) Bezirksbürgermeister und Leiter der Abteilung Stadtentwicklung, Personal und Gleichstellung	Bezirksamt Friedrichshain- Kreuzberg
3	Herr Joachim Krüger (CDU) Bezirksstadtrat Abteilung Bürgerdienste, Ausbildungsförderung und Personal	Bezirksamt Charlottenburg- Wilmerdorf
4	Herr Norbert Lüdtker (DIE LINKE-PDS) Bezirksstadtrat Abteilung Ökologische Stadtentwicklung	Bezirksamt Marzahn- Hellersdorf
5	Frau Dagmar Pohle (DIE LINKE-PDS) Bezirksbürgermeisterin und Leiterin der Abteilung Gesundheit, Soziales und Personal	Bezirksamt Marzahn- Hellersdorf
6	Frau Christina Emmrich (Die Linke-PDS) Bezirksbürgermeisterin und Bezirksstadträtin für Personal und Finanzen	Bezirksamt Lichtenberg
7		Bezirksamt Neukölln
8	Herr Dr. Christian Hanke (SPD) Bezirksbürgermeister und Leiter der Abteilung Gesundheit und Personal	Bezirksamt Mitte
9	Herr Norbert Kopp CDU Bezirksbürgermeister und Leiter der Abteilung Personal und Finanzen	Bezirksamt Steglitz- Zehlendorf
10	Frau Gabriele Schöttler (SPD) Bezirksbürgermeisterin und Leiterin der Abteilung Personal, Finanzen, Wirtschaft, Kultur und Ordnungsangelegenheiten	Bezirksamt Treptow- Köpenick

11	Frau Petra Wermke (Die Linke-PDS) Vorsteherin	BVV - Marzahn-Hellersdorf
12	Herr Michael Schulz (Die Grauen) Bezirksverordeneter	BVV – Reinickendorf
13	Herr Stephan v. Dassel (Die Grünen) Bezirksverordenete (r)	BVV – Mitte
14	Herr Frank Betermann (Die Grünen) Bezirksverordenete(r)	BVV – Mitte
15	Frau Dr. Mariane Suhr (SPD) Vorsteherin	BVV - Charlottenburg- Wilmersdorf
16	Herr Jürgen Koglin (SPD) Fraktionsvorsitzender	BVV – Neukölln
17	Frau Christina Schwarzer (CDU) Stellvertretenden Fraktionsvorsitzenden	BVV – Neukölln
18	Herr Winfried Blohm (SPD) Bezirksverordenete(r)	BVV - Treptow-Köpenick
19	Rainer Bosse (Die Linke-PDS) Vorsteher	BVV - Lichtenberg
20	Herr Kersten Schröder (CDU) Bezirksverordenete(r)	BVV – Spandau
21	Herr Burkhard Kleinert (Die Linke) Vorsteher	BVV – Pankow
22	Herr Klaus Mindrup (SPD) Fraktionsvorsitzender	BVV – Pankow

Appendix 10 Questionnaire

Dear All,

I am Vu Thanh Van, Ph.D student in the Faculty of Economic and Social Science, University of Potsdam, Germany. My dissertation is about “Vietnam Local Government on the Way to Good Governance” that aims at explaining how institutions influence on building good governance. In my study, not only formal institutions but also informal institutions including cultures, perceptions will be analysed. To be able to analyse it, one of my tasks is to find out what are values and cultures of Vietnam.

Asking Vietnamese is very important in my study, however, it is as hard as asking “fishes” to describe the water they swim in.

In order to have a different view about values, perceptions and cultures of Vietnamese, I would like to have assessments from you as foreigners who have lived and worked (or have been living and working) in Vietnam.

Could you please do me a favour by answering the following questionnaire to discover how you think about Vietnamese’s values, perceptions and culture?

The questionnaire is based on my assumption about Vietnamese cultures and perceptions. Therefore, it might have some limitation because I am a “fish” in the Vietnamese culture “water”. Your answer is very important for me to prove whether my assumptions are right or not.

If you have any idea that my questionnaire did not cover, please do not hesitate to add. Please forward my questionnaire to your friends who have worked and been working in Vietnam.

I am deeply grateful for spending your precious time answering my questionnaire.

Thank you so much for your help.

Yours,

Vu, Thi Thanh Van

Ph.D. student in the Faculty of Economic and –Social Science
University of Potsdam – Germany

Questionnaires:

Vietnamese’s values, perceptions and culture under the eyes of foreigners

Personal Information

1. Age :
2. Gender :
3. Country of Citizenship :
4. Where do/did you live in Vietnam?
 - Hanoi:
 - HoChiMinh City:
 - Province:
5. How long have you been in Vietnam?

1. General Values in society

Rating system: 1 = very important; 2 = important; 3 = somewhat important; 4 = not important; 5 = definitely not important

6. The most important values for Vietnamese:

The following table provides a list (obviously not inclusive) of items often identified as personal values.

<u>Values</u>	1	2	3	4	5
1. Fairness					
2. Tolerance					
3. Environment					
4. Peace					
5. Family					
6.Honest					
7. Courage					
8.Forgiveness					
9. Challenge					
10.Adventure					
11. Belonging, being connected					
12. Tradition					

13. Security					
14. Stability					
15. Respectfulness					
16. Prosperity					
17. Rationality					
18. Health					
19. Pleasure					
20. Recognition					
21. Authority					
22. Power					
23. Achievement					
24. Advancement					
25. Other					

Please review your work and select the items that represent core values – three to five items.

- 1.
- 2.
- 3.
- 4.
- 5.

Do you agree with the following perceptions and beliefs which are prevailed in Vietnamese society?

Rating system: 1. Strongly agreed; 2. Agreed; 3. Somewhat agreed; 4. Not much agreed; 5. Not at all agreed

7. The importance of family

	1	2	3	4	5
Fulfill family's obligations is the most important					
Doing best for the family is most important even it can damage community's benefits					
Doing a favor for family members even in professional context is widely accepted					
The younger must obey the older in family and even in offices					
The relations between people in the office is like a family link					
Having the sense of family, but not the sense of community					

8. People in general believe that there is an order of inequality in this world in which everyone has his or her rightful place. It leads to the belief of:

Agreed

	1	2	3	4	5
Hierarchy discipline is strictly followed.					
One has to act in accordance with his/her positions					
Change is not encouraged.					
Accept the situation as it is.					

9. The values of individual are low.

Agreed

	1	2	3	4	5
People have been taught to be compliance with teachers, superiors					
People behave in accordance with community, and afraid of being different					
Private life is invaded by institutions and organisations to which one belongs to					
Collective thinking rather than individual thinking					

1. Good governance

a. Transparency

10. The availability and the accessibility of information in public agencies are limited because of:

Important reason

	1	2	3	4	5
Media is strictly managed by the government, people get information which government let them know					
Media is used as a tool propaganda					
Secrecy culture during the war time, and the central planned economics					
Information is constrained by hierarchy. (no openness with information, information stays with superior)					
Social network is main sources of information					
No habit of being questioned for information of public servants					
Passiveness, habit of listening to the governments from central planned economics					
People accept it as the way it is,					

2.2 Participations

11. Discussion

	1	2	3	4	5
Vietnamese are not willing to discuss openly to find solutions for a problem					

12. If agree, the reasons for not willing to discuss are:

Important reason

	1	2	3	4	5
Not willing to express their idea					
No habit of open discussion					

Afraid of losing harmony					
Afraid of confrontation					
Want to live in peace					
Don't want to involve to complicated issues					
Not enough information to discuss					

13. Participation of people in solving public problems is limited because of:

Important reason

	1	2	3	4	5
No habit of participation					
Passiveness, habit of waiting for the government from central planned economics					
No interests in politics					
No real channel to participate					
Don't want to involve to complicated issues					
Not enough information to participate					
Consensus is more valued than diversity					

2.3 Accountability

14. Some perceptions on corruptions in Vietnam

Agreed

	1	2	3	4	5
Corruption is a bad side of market economy.					
Corruption is not inevitable in transition to market economy.					
Offering bribe is seen as an effective way to solve bureaucratic problem.					
The one who bribes is not guilty.					
Taking bribe is widely accepted.					

15. The main reasons for corruption are

	Important reason				
	1	2	3	4	5
Officials have low salary					
No transparency					
No meaningful sanction					
Earning money-Being reach by all means is seen as successful in society.					
Tolerance of corruption in society					
A way of redistribution to compensate low salary					

16. Some reasons for low accountability in Vietnam

	Agreed				
	1	2	3	4	5
Officials and politicians generally account to the Party not to the people					
Collective leadership takes no account					
Harmony and consensus is important and requires avoiding talking directly about others' mistakes					
No effective mechanism to hold official and politicians accountable					
Habit of hiding the negative and showing only the positive					
Apologizing and admitting limited knowledge by an official are acceptable in society					
No meaningful sanctions because jurisdictions don't function independently					

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