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1. Introduction

- 1 As Vietnam seeks to consolidate its economic take-off, attractiveness and international competitiveness, the issue of governance has become more urgent. Indeed, the economic and institutional structures of the country are likely – to a certain extent – to slow down, if not thwart, this rise. Also, it is not easy to take into account the governance dimension in the public policies of donors and development cooperation actors (who are well established in Vietnam) because of the sensitivity of the subject to the political regime of the State Party and the independence that Vietnam maintains in line with the ideology that its leaders seek to disseminate. There is thus little room for development aid in terms of governance.
- 2 Vietnam has indeed followed an unusual development route. Associated to the former ‘Eastern Bloc’ for many years, it was able to take advantage of the international opening after the launching of the Renewal policies so as to develop in a manner described as ‘miraculous’ (‘miraculeuse’) by some authors (Brocheux, 2011). This development is also credited to an intelligent state interventionism in economic matters, although the latter is based on ideological assumptions inspired by Marxism-Leninism whose stigmas and contradictions are currently slowing down its ongoing development.
- 3 Following thirty years of war, with catastrophic consequences such as the isolation of its economy and the living conditions of its population, in 1986 Vietnam launched its policy of *Đổi mới* (or ‘Renewal’). This policy, which initially consisted in accepting the marginal existence of a private sector and flows of foreign direct investment (FDI), finally resulted in an unprecedented international commercial and economic opening-

up. This has been both the driving force and the vehicle of Vietnam's international trade integration. This trade integration was first of all local – the country joined the Association of Southeast Asian Nations (ASEAN) in 1995 – and then worldwide, when it joined the World Trade Organization (WTO) in 2007. In the 1990s and 2000s it enabled the country to experience a dazzling economic development which profoundly transformed it. In fact, over the last 25 years, the country has experienced an average growth rate of about 7 per cent per year, allowing the gross domestic product (GDP) to quadruple. This growth was accompanied by massive industrialization, with the share of the industrial sector in production rising from 25.2 per cent in 1990 to 41.6 per cent in 2010. In the same period, GDP per capita increased ninefold, reaching USD 1,596 in 2012, as against USD 189 in 1993, while the poverty rate fell from 37.4 per cent of the population in 1998 to 7.8 per cent in 2013. The share of the Vietnamese private sector in GDP has grown considerably in recent years: in ten years, it has increased from 40 per cent to 60 per cent. Economic growth is largely based on FDIs (USD 12.4 billion in 2014 or 4.4 per cent of GDP in 2014 in disbursements), particularly in the manufacturing sector. Growth is also driven by exports (+ 13.6 per cent in 2014), with nearly USD 150 billion. FDIs are also a factor of dependence, as evidenced by the important role played by the Korean company SAMSUNG in the Vietnamese trade balance (more than USD 20 billion of exports, or 13 per cent of exports in 2014). This economic development has enabled the 90 million inhabitants of Vietnam to significantly increase their standard of living. In 2010, the country acceded to the status of Low and Middle Income Country (LMIC). Vietnam had also met almost all the Millennium Development Goals (MDGs) by 2015, with the exception of Goal 6 (combating HIV/AIDS).

- 4 However, this dazzling development has not stopped Vietnam from still facing significant challenges which pose threats to its potential and structural growth (World Bank, 2010; 2016). Since 2008, the country has been facing a slowdown in growth. Overly flexible fiscal and monetary policies have led to economic overheating: loans accounted for 135 per cent of GDP in 2010, while inflation reached 23 per cent in August 2011. The 'braking' applied by the Vietnamese authorities has proved efficient, with inflation reduced to 6.6 per cent in 2013, but at the cost of a sharp slowdown in growth, which fell to 5 per cent in 2012 and is expected to be between 5.5 per cent and 6 per cent in the coming years. Vietnam's public debt was close to 65 per cent of GDP in 2018 (the maximum percentage allowed by the National Assembly since 2016).
- 5 Although drawing a comparison between Vietnam and China is not easy, these two countries share a (single-party) communist state system that tolerates the market economy and international economic openness (Gillepsie, 2005). These countries have adopted a hybrid model, mixing communism and capitalism, a kind of 'market Leninism' (London, 2009), which in Vietnam is called a 'market economy with socialist orientation' (*kinh tế thị trường định hướng xã hội chủ nghĩa*). This model has to some extent made possible the economic boom in Vietnam, starting from the – defensible – postulate that state economic intervention was necessary for development, and alone guaranteed a balanced development policy between disparate provinces. Vietnam's experience suggests that this *parti pris* was justified: economic planning and state intervention, as well as the use of the public sector as a pivot of development, have had a positive impact on the economic take-off, together with the combined effects of international openness (Cling et al., 2013). This model is summed up in the terms 'state capitalism' and the 'developmentalist state'. In addition, the policy of redistribution

and equalization among provinces has enabled this economic development to be inclusive by benefiting the provinces least integrated into the process of opening up. Finally, the Vietnamese state's mastery of the main macroeconomic variables in the period following the *Đổi mới* also favoured its economic development (fixed exchange rate,¹ export policy).

- 6 However, while the 'socialist' orientation of the Vietnamese economy may have had beneficial consequences, it has also left a deep footprint on the country's economic structures, which reflect this ideological *parti pris*. This contradiction between economic openness to capitalism and the desire to maintain the ideological foundations of the regime poses problems of governance because it is reflected in structural rigidities that are revealed even more clearly when growth is slowing down. For example, while the *Đổi mới* has fostered the emergence of a vibrant private sector in Vietnam, the economy is still very much marked by the public sector, which is dominant in all strategic and non-strategic sectors of the economy (energy, industry, banks). While they account for 40 per cent of GDP, these companies are often inefficient because their management style does not really favour the incentives allowed in the private sector (World Bank, 2015; 2016; 2017). If the state's presence in companies is justified when it comes to the general interest (provision of a public service, lack of profitability, the higher national interest), its intervention in the economy often actually exceeds this logic: other motivations for state intervention include the strengthening of the communist regime or the maintenance of certain special interests (corruption is widespread in public companies). The inefficiency of these public companies is illustrated, for example, by the damaging consequences of risky investments made in the 2000s (by public banks or other sectors in which the state is a major player: public works, agriculture, transport), as evidenced by the heavy impact on them of the 2008 economic and financial crisis and the slow pace of policies aimed at curbing its effects. The preponderance of the public sector crowds out the private sector to a significant degree (including the credit market), driving economic development and generating the necessary incentives while the public sector, when it monopolizes and captures all market segments, destroys these incentives (competition, productivity, efficiency, selection by the market, the optimal allocation of resources). For all these reasons, the WTO, which accepted Vietnam's accession in 2007, denied it market economy status. The stigmas of a planned economy may, through the governance problems they engender, threaten the continued economic development of Vietnam, which is why official development assistance policies are taking hold there today.

2. Vietnam and official development assistance: financial dependence vs. ideological independence

- 7 Vietnam has been one of the top recipients of development aid flows in the world since the Washington Consensus, as the international community was eager to step in to help the country break the socio-economic stalemate it experienced at the end of the 1980s. This aid, combined with developments in the country's economic and social policy, was the source of the economic take-off (1.1). Vietnam has rapidly developed a financial dependence on its donors, although, unusually, this financial dependence has not led to

ideological dependence (1.2). Today, following the evolution of the country and its needs, official development assistance in Vietnam is finding a new resonance (1.3).

2.1 Official development assistance, a catalyst for Vietnam's economic development

- 8 Official development assistance, combined with smart public policies, has enabled Vietnam to embark on an unprecedented development process. The reconstruction of Vietnam has been largely driven by financial flows from official development assistance, combined with actions designed to reinforce its capacities (World Bank, 2017). Indeed, when Vietnam was reintegrated into the international community in the early 1990s, bilateral and multilateral donors (including the World Bank) established themselves in Vietnam on a long-term basis. Vietnam quickly developed a financial dependence on these donors, including Japan and the United States.² The flows of official development assistance have significantly shaped today's Vietnam. The World Bank has been a driving force for development, both in terms of creating a framework conducive to economic activity³ (infrastructure, transport) and of meeting MDGs, for which Vietnam is a model (World Bank, 2013; 2014). Official development assistance, moreover, was the vector of diffusion of economic and institutional standards by means of the production of knowledge from as early as 1994, facilitating Vietnam's shift from a centralized, autarkic economy, stifled by isolation, to a capitalist market economy. Today, donors (still including the World Bank) seek, as we are endeavouring to demonstrate throughout this article, to correct the perverse effects of the structural rigidities that persist in the economy and institutions (public enterprises, banks). Financial tools have been specifically created to facilitate structural reforms.
- 9 Unlike other countries with similar development cycles, Vietnam has remained dependent on aid until today (World Bank, 2017). The overriding role of official development assistance in the development process is illustrated by Vietnam's financial dependence on it (according to the OECD, it is the fourth largest recipient of official development assistance worldwide, receiving USD 2,308 million in 2017). However, this dependence, far from fading as the country confirms its economic take-off, has continued: Vietnam has not, in the meantime, proceeded to the economic reforms that its development would require; it has not allowed a strong and independent banking sector to establish itself, or other channels for financing the economy to flourish. The flawed nature of the Vietnamese financial and banking system (the latter dominated by public businesses) is preventing medium-term development aid from being phased out – this remains the main source of development financing with FDIs – while it should be the private sector that acts as the driving force for development. This strong financial dependence on foreign countries is not a sustainable strategy for a development that should rely more on internal factors. However, Vietnam's financial dependence on its donors has not translated into an ideological shift.

2.2 Official development assistance and the maintenance of ideological independence

- 10 The excessive normative tendencies of the Bretton Woods institutions that seek to impose the neoliberal model of the Washington Consensus, by making their support dependent on drastic structural reforms symbolized by the concept of ‘structural adjustment plans’, have often been emphasized. Even though the Washington Consensus has since been questioned (Cling et al, 2011) and state intervention rehabilitated, the fact remains that the World Bank is pursuing a liberal-inspired policy that presents a natural ideological incompatibility with the Vietnamese model of a ‘socialist-oriented’ market economy. However, as the World Bank itself points out, its strategic partnership with Vietnam is extremely fruitful; the institution has in a way yielded to the Vietnamese government’s inflexibility over keeping a ‘socialist’ tinge in its economy (World Bank, 2013; 2014). As early as 1997, the Vietnamese government refused to allow the World Bank to condition financial support for structural reforms such as reform of the public sector, the banking sector, and trade.⁴ Vietnam soon sought to remind its donors of its sovereignty, forcing them to recognize that the acceptance of reforms by the recipient country is a condition for the success of the public policies it finances. The inflexibility of a Vietnam following its own path of development (inspired more by Asian success models like Japan⁵ and Korea than the liberal dogma of the Washington Consensus), swayed the World Bank whose approach could not be dogmatic but was based on negotiation with the pragmatic Vietnamese government. Consequently, the observation of the World Bank’s modes of intervention in Vietnam shows that these differ significantly from the policies pursued in Africa, for example, since the liberal doxa finds no echo there (Moyo, 2009). Unlike African states with fragile governments that are likely to have a liberal doctrine imposed on them, the Vietnamese government, characterized by its stability, its authority and its social roots, was able to impose its views on the multilateral giant (Moyo, 2009). Moreover, now as before, the volume of aid to Vietnam is large enough for the World Bank to hesitate to attract its hostility, and this encourages it to shift its positions.
- 11 Furthermore, the World Bank has implicitly recognized, through the example of Vietnam that it has set up as a model, that state intervention in the economy is not just a matter of disadvantages, especially in redistribution – witness the low level of inequality in Vietnam. It has also accepted that the reform of public enterprises can keep companies whose activities benefit the economy within the state (Cling et al., 2013).
- 12 Vietnam’s continuing ideological independence – even though it is strongly dependent on donors – demonstrates the primacy accorded to considerations of sovereignty and ideology; this can be explained by its past as a colonized country that was then ravaged by war. The balance of power has been resolved to the advantage of Vietnam, which has been able, through its strong state, to remind donors that, despite the justifiability of the policies they promote, these must be concerted and negotiated and not imposed from above, which would amount to restoring a form of colonization of minds. On the contrary, Vietnam promotes a method based on pragmatism and sovereignty, associated with negotiated changes, incremental in nature (Leroy, 1998; Brocheux, 2011; Crouzatier, 2014). So, apart from a Vietnamese model (which undeniably exists),

we can speak of a Vietnamese method which tends to become independent of the relations that many countries maintain with donors.

2.3 Official development assistance, a changing phenomenon in Vietnam

- 13 Today, official development assistance is a rapidly changing phenomenon, both throughout the world and in Vietnam. First of all, there is the context of a general diminution in aid because of the fall in development credits in the budgets of industrialized states, which are historical providers of aid. In addition, the steady economic development that enabled Vietnam to become a Middle Income Country in 2010 has implications for its ability to benefit from development loans and grants. The International Development Association, an organ of the World Bank, is progressively withdrawing from Vietnam. Other donors, such as British cooperation, have already left the country, while some lend at rates that more accurately reflect Vietnam's level of development (such as France), i.e. are less subsidized. In the context of this increase in the cost of capital and the scarcity of resources, the notion of official development assistance and its impact on Vietnam has changed. Now we are witnessing a strategic repositioning of aid in many of its aspects.
- 14 In the first place, the scarcity of resources of official development assistance has, in recent years, led donors to concentrate their resources on strategic intervention frameworks that are limited to a small number of circumscribed areas of intervention. In this respect, the European Union has decided to allocate the EUR 400 million from the 2014-20 period of grants allocated to Vietnam under EUROPAID to the protection of the environment and the fight against climate change as well as to promoting governance. The French Development Agency is focusing on the fight against climate change and the modernization of the productive sector, in order to bring it in line with the needs of the economy. The World Bank, in its 2011-20 strategic plan, decided to promote more qualitative and inclusive growth (productivity, adaptability to climate change, human development, governance and reform of administrative processes and institutions, education and human capital). This shift goes hand in hand with the search for a better coordination of donors in the areas of intervention in order to reap the effects of synergy. Furthermore, it is noted that the strategic intervention frameworks of donors to Vietnam are converging on the idea of a growth that will be green, inclusive and more qualitative, and a reshaping of institutional frameworks to allow economic and human development to prosper. This trend is only natural after two decades of a sustained growth that has been accompanied by an increase in imbalances while revealing the structural weaknesses of the economy (governance).
- 15 Secondly, the increase in Vietnam's indebtedness and the attainment of the 65 per cent regulatory limit in the debt-to-GDP ratio 2018 has led donors to diversify their supply of financing tools. Vietnam's excessive indebtedness has also led to a repositioning of Vietnam itself, which has adopted a legal framework for the management of public debt (Public Debt Management Law, 2018). The country is also – at the time of writing this article – revising the decree establishing the legal framework for official development assistance to promote the transfer of sovereign loans granted to states to the final beneficiary (through a retrocession mechanism), so as not to burden the public debt and the state's budget. In this regard, some donors (including the French

Development Agency) and the Vietnamese government have opened up a discussion on the development of *non-sovereign concessional loans*, i.e. loans to public entities distinct from the Vietnamese state (such as local authorities, public enterprises and private companies with public service missions) without state guarantee. This mechanism allows financial aid not to be part of the national debt and not to burden the ratios, especially since the state does not give any guarantee. In addition, it allows donors to deal directly with final beneficiaries rather than passing through the state, which makes the discovery, investigation and definition of financing/expertise needs more direct and, therefore, easier. This approach opens a new page in the history of official development assistance in Vietnam, and represents a trend towards increasingly decentralized and market-driven public aid.

- 16 This gradual shift towards non-sovereign loans also demonstrates the changes in the place occupied by aid in its relations with the Vietnamese state. Indeed, aid is seeking to change its nature, to be more of a ‘strategic partner’ rather than a directive body. As has been pointed out with regard to the World Bank, Vietnam has always kept a tight rein on public policies, even those financed by foreign aid flows. However, this logic of partnership needs to develop even further, with development aid working hand-in-hand with the Vietnamese authorities, particularly upstream, in the phase of defining needs. The development of intervention frameworks must not be the result of a purely internal discussion among donors but must be coordinated by the country’s authorities. This bottom-up approach thus makes it possible to promote the effectiveness of aid and strengthen its legitimacy.
- 17 Finally, official development assistance should seek, as far as possible, to reduce its financial flows (at least the most subsidized ones) or to refer them to capacity-building actions. Similarly, with a view to transition and the ‘end of aid’, such support will have to pay particular attention to the banking and financial sector in order to give the latter the means to ensure by itself the financing of the Vietnamese economy.

3. Governance in official development assistance policies in Vietnam: a difficult position

- 18 What precedes has been an opportunity to demonstrate that Vietnam’s new economic openness could not prevent, and in fact even revealed, persistent structural dysfunctions stemming from bad governance. At the institutional and legal level, the rule of law has not been completely established and fundamental rights and freedoms are not fully respected (Crouzatier, 2014; Bony-Cisternes, 2019). Indeed, economic openness has not been accompanied by a democratic openness characterized by a relaxation of the authoritarian exercise of power associated with the maintenance of a state-party model, as has been described elsewhere by economic development models. However, while Vietnam remains untouched by any questioning of the state organization, it shows a willingness and an openness in terms of reforming governance, as it is aware of structural rigidities (2.1). In the face of this willingness, official development assistance is trying to carve out a place for itself, even if its framework for action remains constrained (2.2).

3.1 Vietnam's willingness with regard to governance

- 19 Since the policy of Renewal was introduced, Vietnam has been marked by a certain pragmatism. It is characterized by the acceptance of fundamental reforms and the partial reappraisal of the ideological postulates derived from the principles of the planned socialist economy, insofar as these shifts are beneficial to economic development in Vietnam and do not completely undermine the one-party state model (Gillepsie 2005; Bui 2014; 2015).
- 20 The country is also quite transparent about its governance, which is currently a key focus of the government's attention, particularly because of the international trade commitments undertaken by Vietnam: for example, the former Trans-Pacific Partnership Treaty and even the Vietnam-European Union Free Trade Agreement, in both of which Vietnam committed to fundamental reforms (banking sector, public sector, labour law, the ratification of international conventions, the liberalization of certain hitherto regulated sectors of the economy (Pham 2010; 2015)).
- 21 For example, government representatives have publicly committed themselves at regular summits, such as the Vietnam Development Performance Forum (organized annually between the government and donors), to initiate or pursue emblematic projects of governance, namely: fostering modernisation in the public economy (containing the budget deficit, privatizing public enterprises in accordance with a logic of profitability, promoting market operating rules reflecting the assumptions of the market economy, developing the private sector, and improving the business environment); creating a financial market with institutions capable of regulating it; strengthening the banking sector to meet the financing needs of the economy; conducting reforms both economic (education) and legal (the liberalization of certain sectors) to make the most of the desired international trade integration symbolized by the ratification of several free trade agreements; integrating Sustainable Development Goals (SDGs) into public policies, and finally; improving the rule of law, even if it this is inevitably a long-term process (World Bank, 2016).
- 22 It is interesting to note that Vietnam's current reforms appear to stem more from external commitments (within trade agreements, in particular) than from pressures brought to bear by donors or civil society (Pham, 2010; 2015). This method seems to be efficient insofar as economic pragmatism derives from legal commitments. Above all, it makes it possible to use the argument of external constraint (free trade agreements) to legitimize sensitive and controversial reforms in the domestic arena. The economic policy of the Vietnamese government has been marked for many years by an economic pragmatism which is the driving force of the reforms. The reform of the public sector and state-owned enterprises, for example, is no exception to this rule: while donors have long been working towards this goal, it is only recently that the government has really taken this issue seriously, as reform of the public sector is a condition for fulfilling the international trade agreements to which Vietnam intends to be party. The demand for fresh air created by the prospect of a strengthening of international trade openness in the context of an economic slowdown has outweighed the government's reluctance. Thus, in this case, the reforms appear to be imposed from the outside, which is also a reason for political justification on the Vietnamese political scene, insofar as this subject is controversial (Bui T.-H., 2015).

- 23 In addition, the 2013 Constitution reflects this combined desire to improve governance and the rule of law, even though putting it into practice is a more delicate problem. This does not, however, alter a willingness that must be commended, to the extent that there are firm intentions behind. In fact, in the course of the reform of its Constitution, Vietnam has embarked on a major overhaul of its legislation oriented around three areas: ensuring more effective respect for human rights; adopting economic regulations that respect the commitments made within the WTO or those that will be made when free trade agreements are concluded; and enabling the development of the rule of law, particularly by strengthening the separation of powers (Bui, 2014; 2015).

3.2 The constraints of official development assistance in Vietnam in terms of governance

- 24 Aid remains important for Vietnam from both a financial and technical point of view. While Vietnam is willing to do so, it does not have the means to reform its institutions and economy alone. Development aid acts (or tries to act) in many ways. It sometimes instigates reforms, guiding Vietnam towards better governance, and sometimes it supports reforms that Vietnam has decided on by providing financial or technical aid. Needless to say, if these two roles can be combined, public aid action will have a wider scope when it comes with reforms decided on by the country (even if this is dictated by external commitments). In addition to country's ideological independence from its donors, the importance of ensuring that reforms are anchored at national level results from the sensitivity of governance issues vis-à-vis the traditional issues of official development assistance (health, education, infrastructure, agriculture). Indeed, the field of governance extends to more sensitive areas such as politics, law, the organization of the state and its powers (especially its sovereign powers), and indeed ideology. This is particularly true of Vietnam because of its characteristics and history.
- 25 In this respect, if it exists, any room for manoeuvre in the public policies fostered by the providers of development aid will come up against the following obstacles: only accepted and negotiated reforms can be carried out in partnership, and reforms will be accepted to the extent that they do not bring about any drastic ideological or institutional changes that might undermine the model of the Vietnamese state (and in particular the one-party model).
- 26 However, the Vietnamese Communist Party, the only body truly in command of a state that is almost indistinguishable from the political sphere (Brocheux, 2011; Crouzatier 2014), is still very suspicious of the arsenal of public policies favourable to governance that are proposed by its creditors in the shape of various projects (be they budgetary aid, subsidies, or technical aid in the concrete form of sending permanent international experts to work inside the ministries). Until now, the Communist Party has put a stop to all projects concerning, directly or indirectly, the exercise of individual and collective freedoms, such as the freedom of the press, political pluralism, the right to strike and protest, as well as freedom of association. International experts that are trying, despite everything, to investigate the state of democratic governance alongside non-governmental organizations are closely monitored by the police, while expatriates in Vietnam enjoy considerable freedom.
- 27 In addition to the areas related to democratic governance and participatory democracy that have not as yet been recognized, less sensitive areas of governance such as

administrative and territorial organization (which involves the problem of decentralization), powers of local governments (Bui N.-S. 2015; Benedikter, 2016; Bony-Cisternes, 2019), and public sector reform and taxation (Nguyen 2016) are still complicated topics for dialogue with the party-state. Indeed, if the government's economic pragmatism allows these subjects to be (at the very least) mentioned, even at the highest level, the projects supported by donors in this area are often failures. The underlying structural reforms are often too significant for there to be much hope that such projects will succeed. Thus, the temporality of public policies of liberal and Western-inspired governance comes up against the slower, more incremental temporality of Vietnam. The Party, embedded in the social fabric, is not – contrary to widespread critiques – monolithic (Brocheux, 2011): at its own pace, and with its own methods, it can adapt to the evolutions of society in such a way that, so as to avoid any dissent that might lead to a popular uprising against the regime, the Party first seeks consensus before implementing reforms, even if it means testing them before confirming or rejecting them. This has been particularly the case in recent years in the field of urban and territorial governance where, prompted by peasant revolts, local authorities have put pressure on the state to regulate compensation for expropriation more fairly, while donors had already for several years been putting pressure on the government through projects explicitly meant to encourage thorough reform of the framework of the land law and the law of expropriations (Hansen, 2013; Leroy, 2015).

- 28 The Vietnamese State-Party, unlike many of its African counterparts, appears reluctant to accept the normative tendencies of donors (Moyo, 2009). Although it tends to turn a deaf ear to the injunctions of donors when they force it to alter the fundamental dogmas of its political organization, the government knows when to be pragmatic: it thereby reappropriates the recommendations of aid donors while twisting them so as to achieve its own goals. In this respect, the example provided by the acceptance of international trade agreements (free trade agreements) is highly illustrative (Pham, 2010; 2015). Vietnam, a member of the WTO, whose market economy status is still under consideration, hopes, by means of multilateral negotiations, to join regional economic areas: first and foremost, ASEAN, but also, because of the commercial links between them, the European Union (through a free trade agreement) and the Pacific area (through the Trans-Pacific Partnership Treaty (TPP), weakened by the withdrawal of the United States following the election of Donald Trump). The processes of negotiation and acceptance of these free trade agreements materialize the political influence of the Western powers which seek to trade the integration of Vietnam and the resultant benefits to its economy for advances in fundamental rights and freedoms. Thus, TPP negotiators made Vietnam's entry conditional on structural reforms in connection with the International Labour Organization (ILO): labour rights and freedom of association (with the possibility of creating trade unions outside the satellite organizations of the Party). Vietnam, eager to join regional associations, has agreed to the demand of its counterparts to liberalize its trade union legislation. Even though many aid providers had previously, and unsuccessfully, tried to implement projects in this sector in partnership with the Vietnamese Ministry of Labour, Invalids and Social Welfare (MOLISA), the existence of an ancillary interest (international trade and the prospect of enrichment) on the part of the government pushed it to accept reforms that it had hitherto rejected. From now on, donors working in the fields of social and trade union law will gain an attentive response from the government which,

forced to implement reforms, willingly accepts financial and technical aid from international organizations.

- 29 The pragmatism of the Vietnamese government testifies to a relationship with international aid that has become more complex as a result of changes in the aims of donors who no longer seek to promote MDGs or SDGs but to reconfigure their action on more political and institutional issues. The hardening of the Vietnamese Communist Party's domestic policy, endorsed by the victory of the most conservative fringe at the February 2016 Party Congress, is ample confirmation of the existence of a glass ceiling for the action of donors. Some of these, the World Bank, for example, discouraged by the difficulty of influencing Vietnamese reforms but dependent on a Vietnam which represents a substantial outlet for its activity, have already reshaped their projected portfolio of projects to direct it towards the productive sector, by abandoning governance.

3.3 Muted achievements

- 30 The concrete actions and projects set up by donors to promote good governance are, in fact, merely the reflection of the constraints on them. As a consequence, their chances of success are also contingent. Thus, as a first step, the donors have focused on 'accepted' fields, i.e. their action has focused on creating a legal framework conducive to business and a vector of legal security. As a result, since these sites have been relatively successful, donors have tried, this time with a more questionable success, to address the issues of human rights and civil society.
- 31 The negotiations that preceded the accession of Vietnam to the WTO had already, in their time, led to the formulation of significant requirements on the country. In particular, Vietnam was asked to thoroughly reform its legal system so as to bring it into line with the minimum requirements for any country wishing to qualify for market economy status or, at the very least, wishing to function as such and attract investors. The improvement of the business environment has since become a requirement of the Vietnamese government, expressed in a Politburo roadmap. This roadmap has been the basis for intervention by donors, who in this regard have contributed to a clean-up of the legal system and the establishment of a basic and then increasingly elaborate framework to monitor economic activity, and in particular to attract investment from abroad. The notable success of the strategy unveiled in Resolution 48 and donors' action in support of legal reforms to accommodate the globalized market economy and foreign investment comes from incorporation of donors into the framework fixed by the government, which had allowed considerable latitude in this area and had no taboo about the legal system reflecting the adoption of market principles.
- 32 In defence of civil society and freedoms, things are less self-evident. Civil society and human rights programs are more the preserve of international organizations such as the United Nations Development Program (UNDP) and the European Union. These organizations seek to support the rule of law through several programs, as well as to encourage the emergence and strengthening of civil society, a concept that in Vietnam is heavily watered down because civil society is conceived – traditionally – only within the ambit of the Party: all social organizations have to be affiliated to it under pain of being considered null and void. In recent years, civil society has gained genuine recognition in the public debate, as evidenced by the process of constitutional reform.

If it appears as a living force – a kind of third power – there are still various stumbling blocks: some areas seem to be excluded from civil society, such as the defence of workers' rights through independent associations and trade unions (the prerogative of the Party) and, of course, political parties and the press. Nevertheless, as these topics are more controversial, there is no roadmap as clear as Resolution 48. The action of donors is both less coordinated and more sensitive. Moreover, contrary to the improvement of the business climate, which was an open topic, the protection of fundamental rights and the emergence of civil society are more sensitive themes that the public authorities – if they do not ignore them – prefer to settle 'privately'. In this respect, donor actions depend more on a case-by-case approach, largely coordinated with the public authorities. These questions affect the interests of the public authorities and the fundamentals of the political model, and they inevitably take longer to resolve. Moreover, unlike the question of business law where the government has been very attentive to outside support, the same is not true of the question of fundamental rights and civil society. These issues are regularly on the agenda of Free Trade Agreement negotiations. They have been a major stumbling block between the European Union and Vietnam. The government, unfavourable to the introduction of clauses defining 'fundamental freedoms' associated with mechanisms of suspension, expressed its dissatisfaction and the European Commission agreed to considerably dilute the reference to human rights, even if the European Parliament argued strongly against this.

4. Conclusion

- 33 While development aid has undeniably started a process of reorganization based on the promotion of good governance, this notion, being sensitive and imprecise, has triggered a clash of political, legal and social cultures characterized by asymmetrical temporalities and different priorities. The sustainability of governance policies in the action of donors will necessarily involve the adaptation of their dogmas to the political-historical specificities of the developing world, contrary to the logic of reproduction of the Western patterns.

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NOTES

1. This went against the recommendations of the IMF, which sought to impose the theoretical model of flexible exchange. This points to Vietnam's ideological independence – something to which we will be returning later.
2. In 2011, the total development assistance (loans and grants) provided by the World Bank to Vietnam was almost USD 14 billion and involved more than 100 projects.
3. The development plan for Vietnam established in 1994 by the World Bank made a priority of financing socio-economic infrastructures (transport, communications, energy, urban development, irrigation, health and education).
4. The Ministry of Planning and Investment stated: '*Reforms cannot be bought with money, nobody is going to bombard Vietnam to force it to act*'.
5. Japan's economic take-off was made possible only by an economic model dominated by state interventionism and state-controlled industrial conglomerates (*kereitsu*) under the auspices of the MITSI, which is the equivalent of the Vietnamese Ministry of Planning and Investment.

ABSTRACTS

Traditionally confined to the pursuit of economic, social and environmental development objectives, official development assistance has moved into less traditional and more sensitive sectors. By making governance a major focus of official development assistance policies, Western powers have reinforced the strategic and diplomatic dimension of aid. In doing so, they have come up against the challenge of exporting Western-inspired governance models to countries whose historical, political, and cultural norms preclude their acceptance, forcing donors to adapt to local contexts. This is particularly the case in Vietnam which, while being one of the most important historical recipients of international aid, and thus to some extent financially dependent on its donors, is distinguished by its ideological and political independence, especially in the way it runs its domestic affairs. Now facing the challenges of good governance, the country

is turning a new page in its relations with its creditors, marked by the difficulty the latter experience in supporting public policies of governance, given the sensitive nature of the subject. Traditionally focused on Millennium Development Goals or Sustainable Development Goals, aid in general, and French aid in particular, have moved into more sensitive areas such as governance. Choosing governance as their new target in developing countries, donors have strengthened the strategic dimension of aid. However, they have encountered several obstacles in exporting western governance patterns to developing countries whose history, social and political background are fundamentally different. This phenomenon is leading donors to draw up a more tailored governance aid policy in developing countries. This is notably the case in Vietnam. While it is one of the most important aid recipients in the world, Vietnam has nonetheless preserved its ideological independence vis-à-vis its creditors. Vietnam is now being urged to tackle governance issues in the country to unlock its growth potential, and has embarked on a new era in its relationships with international aid, characterized by the difficulty of implementing public policies inspired and funded by aid, given the sensitive nature of the topic.

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