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**Vietnam: The Effect of Grassroots Democratic Regulations
on Commune Government Performance and
Its Practical Implications**

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I - Introduction: Grassroots Democracy in Vietnam

Socio- political Context

For the last 20 years, Vietnam has experienced rapid changes in both economic and social respects. This process often was described as a transition from a centrally planned economy to a market- oriented economy. The main interest for the last 10 years, however, is focused not on the question whether Vietnam would have a market economy, but rather on the question what kind of market economy it would develop: a bureaucratic market economy which would increase a gap between the rich and the poor people, or a more efficient one, which would distribute more evenly the benefits among social classes. This question, apparently, will be decided by the interaction between economic and political forces in the country. An important aspect of this interaction concerns the rural areas as it accounts for about 80% of Vietnam population.

Indeed, during the late 1990s, due to weaknesses of local governments, there were a numbers of social and political unrests in several provinces (Thai Binh, Ha Tay, Thanh Hoa, etc.), which would indicate the need to reconsider the role of the government in a new environment – a market economy. The reasons for the weak governance were attributed to the unresponsiveness of local governments to the needs of people as the government officials bears no direct pressure from people. The essential problem here is how to control the abuse of power and to enhance the responsiveness and efficiency of local governance.

Thus, the Grassroots Democratic Regulation (GDR) – a name used for Decree 29/CP - was implemented to address these problems at the grassroots level, especially, in rural areas (The GOV, 2003 and 2005).

The main purposes of the GDR is to specify and enforce the rights of people in the relations to local grassroots governments, i.e. at the commune level¹. These supposedly will increase people political participation and control the power abuse by local officials, which in turn will lead to a more efficient development policy and a higher social cohesion. Thus, in a context of a one-party political system, the GDR is essentially a legal document, by which the central government make local governments *must* follow *some procedures* in their everyday functioning. In other words the GDR effectively *limit* the power of local officials to the extent that some their decisions *must* follow people votes (direct democracy), some decisions *must* be transparent or open to the public scrutiny, and others must be discussed with people before final decisions are adopted .

Thus, according to the level of power limitation, we can categorize this power-sharing into 4 groups of people rights/government decisions as follows:

Group 1 – the right to be informed: includes those decisions that the commune government must **inform** people. (e.g. Resolution of the People’s Council and People’s Committee, policies and legal instruments of the State, administrative fees, taxes or government charges, annual financial records of the commune,)

Group 2 – the right to be consulted: includes those decisions that the commune government must **consult** with people before adopting it. (e.g. : plan for development, plan for land use rights and divisions; commune social and economic policies such as poverty-reduction or unemployment reduction)

Group 3 – the right to inspect and supervise: includes those

¹ Vietnam has 4 level of government: Central, Provincial, district and commune. A commune normally has several villages, which do not have their own governments, but have a kind of self-government with the village head, freely elected by village people.

implementations or decisions that the commune government must allow people to **inspect and supervise**. (e.g. : implementation of the resolution of the People's Council; activities of the President of the People's Council and People's Committee; financial statements of communes; administration of land use rights)

Groups 4 – the right to decide directly : includes those decisions that the commune government must **comply** with the decision of people, i.e. people will discuss and *decide directly* by voting secretly or otherwise (e.g. the amount of financial contribution to the building of commune's road, school, electricity network ..; members of the supervising boards for these buildings)

Clearly, the level of power limitation was increasing by going from group 1 to group 4. That is, the group 4 includes areas where the local government power was limited most.

Besides, at the village level, the GDR also stipulate that a village head should be democratically (freely and competitively) elected. The head of village, thus, is not a government official but a representative of the village people.

Research Issues

The correlation between democracy and economic performance was studied for a long time, especially during the 1980s and 1990s when many Asian countries experience rapid economic development. The conclusion was, however, not clear-cut.

For Vietnam, many researches took its for granted that a more democratic environment at the commune level will positively affect the local development. However, by 2003, after 5 years of implementation of GDR, , there was a general realization at national level that the implementation of Decree 29 was slow and ineffective. (CPV, 2003). During the survey, there were opinions such as the GDR were not implemented properly, and in many cases, just formally as it does not closely relate to the everyday needs of people.

Thus, in this research, we focus on 2 questions:

1. Over the past seven years, has the implementation of GDR left any significant impact (empirically measurable) on the performance of commune

government , especially in the sense of addressing and solving problems of development?

2. Does the level of this impact vary significantly among different commune governments? And if it does, why?

Up to now, many researches took it for granted without rigorous investigation, especially in term of quantification these effects of GDR. Hence, the answers to these questions can help to shed lights on future directions for democratization process in Vietnam, especially at the lower level of local government. The focus is placed on quantitative analysis, complemented by a number of in-depth interviews. In other words, while we do not question much the political and social impact of GDR, its magnitude and specific expression in every day life as well as its impact on people perception and behaviour are of little concern in Vietnam. Apparently, there is no simple way to separate the impact of GDR from the impact of other factors (with out GDR) such as economic growth or the growth of social information network associated with, e.g., internet use in Vietnam. It would require much more data to rigorously test the causal relationship between GDR implementation and those indices as measured in this paper. Nevertheless, the pattern of impact and the attempt to measure it will give some idea about the way to further democratization process in Vietnam, and may suggest some useful direction for government policy.²

The research conduct survey of a representative sample of communes to obtain data for quantitative analysis to test whether institutional changes has significant impact on performance of local government, as measured by a number of most crucial indicators for development of people political involvement and perception at the commune level.

² In 2007, the Standing Committee of the National Assembly finally approved the Grassroots Democracy Decree, which improved the legality status of GDR., while essentially keeping the same content of GDR.

II - Survey description and issues

In order to collect the necessary data, we have conducted 15 waves of field study in 30 communes throughout the country. These communes are chosen from three regions (North, Central, South), which are different in many aspects : economic development levels, cultural, and historical traditions. The geographical distribution is summarized in Table 1 below.

Table 1 – The list of surveyed communes

	Commune	District-Province	Region
1	Giai pham	Yen My- Hung Yen	North
2	Tran cao	Phu Cu- Hung Yen	North
3	An vy	Khoai chau- Hung yen	North
4	Dang le	An thi- Hung yen	North
5	Lam ha	Phu ly- Hanam	North
6.	Trung luong	Binh luc- Hanam	North
7.	Tien ngoai	Duy tien- Hanam	North
8.	Thach Khoi	Gia loc- Hai duong	North
9	Hung thang	Binh giang- Hai duong	North
10	Cao son	Cam giang- Hai duong	North
11	An tuong	Yen son-Tuyen quang	North
12	Tho binh	Chiem hoa- Tuyen quang	North
13	Don nhan	Lap thach-Vinh phuc	North
14	<i>Cam chau</i>	<i>Hoi an- Quang nam</i>	<i>Central</i>
15	<i>Dien duong</i>	<i>Dien ban- Quang nam</i>	<i>Central</i>
16	<i>Hoa phong</i>	<i>Hoa vang-Quang nam</i>	<i>Central</i>
17	<i>Hoa tien</i>	<i>Hoa vang- Danang</i>	<i>Central</i>
18	<i>Hoa xuan</i>	<i>Hoa vang-Danang</i>	<i>Central</i>
19	<i>Phuoc duc</i>	<i>Phuoc son- Quang nam</i>	<i>Central</i>
20	Dong tam	Dong phu- Binh phuoc	South
21	Loc thai	Loc ninh-Binh Phuoc	South

22	Dong tam	Dong phu- Binh phuoc	South
23	An phu	Thuan an- Binh duong	South
24	An vinh ngai	Tan an- Long an	South
25	An ngai	Long dien- Vung tau	South
26	An linh	Tuy an- Phu yen	South
27	Khanh binh	Thu dau mot-Binh duong	South
28	Tien thanh	Dong xoai- Binh phuoc	South
29	Tan chanh	Can duoc- Long An	South
30	Duc binh tay	Song hinh-Phu yen	South

Note that there are 13 communes from the North, which lived in a different political environment compared with 6 communes from the Central and 11 communes from the South until 1975. This may suggest different impact and implications for different regions.

From 6,000 questionnaires delivered, we were able to collect 4,357.

We also have in-depth interviews with 75 commune leaders to understand the political context as well as the reliability of the data. This is more significant as the process of so called “widening democracy”, under the CPV guidance is relatively new. Open political criticism is not encouraged, as it is regarded as harmful to the national solidarity.

The time span is from 1998 to 2005 (as we conducted the survey in 2006 and the main purpose is to compare the period before 1998 with period after 1998). Data before 2006 were either extracted from the official records kept at commune government or from the survey where applicable. Clearly, the accuracy of these data needs to be improved much in the future with a more rigorous and systematical research³. Within the framework of this research and in present conditions, we could not find better way to obtain better data.

³ A methodology similar to the Living Standard Survey of the World Bank in Vietnam can be used, where a set of indicators were measure periodically (5 years) and under a more rigorous surveillance.

III - Measuring the Impact of GDR

In measuring the impact of GDR on commune governance, we developed two groups of indicators : objective and subjective. The main idea is to obtain a balance in judgement of the GDR impact. While the objective group will look at the facts (which are assumed to express most clearly the impact of GDR), the second group will try to get some insight into people perception (which **may** be contrary to empirical evidence). This is something similar to the relation between economic growth and happiness : the democratization should be measured not only in terms what people can do, but also in terms of what people are thingking and perceiving of.

The group of objective indicators try measure the factual impact , which may indirectly reflect the changes took place under the GDR implementation. The idea is that these objective indicators will measure some most important aspects of *people involvements* in local decision-making process.

In order to capture the real effects, we have to identify the most important elements of power – sharing at the grassroots level in Vietnam. Theoretically, these elements reside in the rights to choose the leaders, to control armed forces and police, to spend the budget, and to supervise everyday important activities of government.

Thus, the first indicator – nonparty members in local government – may seem unusual but, in the political conditions of Vietnam, is very indicative of the people involvement due to the characteristics of the one-party system as it is supposed to be the most important reason for unresponsiveness of commune governments, since the officials are accountable *not* directly to the people, but to the party. This indicator, however, is far from perfect. The reason is that the *underlying assumption* here is that the party members in local government are “bad” (or inefficient) members, so the replacement by non-party members will reflect the positive change in government response to people needs. This needs not to be true in general, but as pointed out by CPV, there is not a “small

number” of party members, who abused power for the personal gains. (CPV, 2001, and 2006)

The second indicator touch another sensitive activity of the local government – the budget spending. Obviously, waste and corruptions were the main reasons for social unrest during 1990s, therefore, if the GDR has any impact, it must be reflected in the transparency of financial matters, the regularity of budget auditing and inspecting.

The third and the fourth indicators may seem less important but if taking into account the main (and time consuming) activities of communes and villages, the dispute solving and the numbers of projects subject to people supervisions are good measures as they all closely related to main concerns of people in everyday life.

The subjective indicators try to capture the impact of GDR on the *perception and behavior* of people. So in this sense, they are perception indices. The assumptions behind these measures are if the GDR had real impact, i.e. people has real power in decision making, then the decisions and their implementation should have *higher level of consensus*. Also, through the practice of collective decision-making, they should learn to be tolerated towards others opinions and values.

A more detailed explanation for each index will be considered in each section below.

A. Objective indicators

Indicator 1 - Non-Party members in Local Governments

The local political system at the commune level consist of People Council, which elect from its members People Executive Committee to carry out the Council’s directions and resolutions. Under the GDR, there were also village heads, who were competitively elected by people.

The GDR, as analyzed before, is essentially a *limitation* to the power of local government, which traditionally was dominated by members of CPV. If the

ultimate goal of GDR implementation is to bring ordinary people peasants into public affairs , allowing them to play a more active role in addressing and solving problems most related to their daily life, then , the number of non- party member peasants officially elected into People Council and Village Board of Heads is a meaningful indicator.

This number varies significantly from commune to commune and from time to time within one commune.

Our hypothesis here is that the number of non-party members have been *increasing* over the last 7 years since GDR was put into practice in 1998. We divided the process of GDR implementation into four periods :before 1998, 1998-2000, 2001-2004, and 2005, showing how the number of non-party members has changed. Our metric here is the average number of non-party members (in Commune People Council and Village Board of Heads) of 30 communes (under this study) during that four periods-which is shown in the table 2 and Figure 1 below.

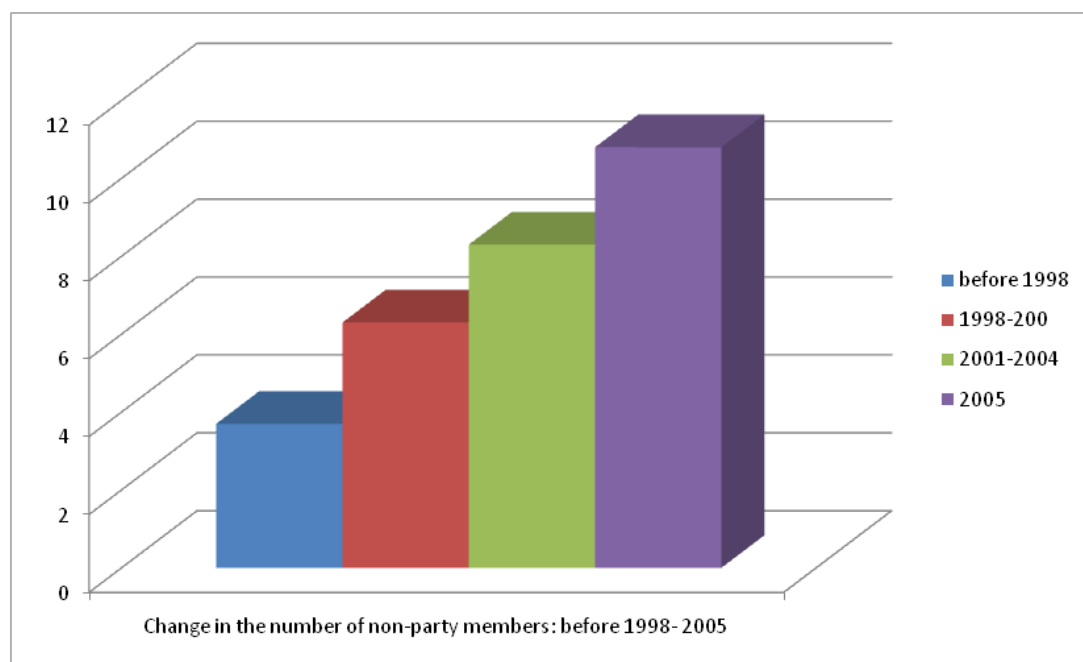
Table 2 – The number of non-party member in local CPC and VBH (Unit: Number of people)

Commune	District- Province	Before 1998	1998-2000	2001- 2004	2005
Giai Pham	Yen My_ Hung Yen	6	9	11	15
Tran Cao	Phu Cu_ Hung Yen	6	10	10	15
An Vy	Khoai Chau- Hung Yen	3	5	7	10
Lam Ha	Phu ly- Ha Nam	4	9	11	11
Trung Luong	Binh Luc- Ha Nam	3	6	8	12
Tien Ngoai	Duy Tien- Ha Nam	4	5	8	11
Dang le	An Thi- Hung Yen	4	8	10	14
Thach Khoi	Gia Loc_ Hai Duong	4	10	12	13
Hung Thang	Binh Giang- Hai Duong	5	4	7	11
Cao Son	Cam Giang- Hai Duong	3	4	8	8
Tho Binh	Chiem Hoa- Tuyen Quang	3	8	10	12
An Tuong	Yen Son- Tuyen Quang	3	5	9	11
Don Nhan	Lap Thach- Vinh Phuc	2	2	4	4
<i>Hoa Qui</i>	<i>Hoa Vang- Quang Nam</i>	2	6	8	13
<i>Hoa Xuan</i>	<i>Hoa Vang- Da Nang</i>	4	3	6	8
<i>Hoa Tien</i>	<i>Hoa Vang - Da Nang</i>	5	9	10	14

<i>Dien Duong</i>	<i>Dien Ban_ Quang Nam</i>	6	8	12	12
<i>Cam Chau</i>	<i>Hoi an -Quang Nam</i>	4	10	12	12
<i>Hoa Phong</i>	<i>Hoa Vang - Quang nam</i>	6	8	10	14
<i>Phuoc Duc</i>	<i>Phuoc Son- Quang Nam</i>	2	3	2	4
Dong tam	Dong Phu- Binh Phuoc	4	7	10	15
Tien Thanh	Dong Xoai- Binh Phuoc	2	2	3	5
Loc Thai	Loc Ninh - Binh Phuoc	3	8	10	13
Tan Chanh	Can Duoc - Long An	3	2	5	5
An Vinh	Tan An- Long An	4	7	9	15
Ngai					
An Ngai	Long Bien- Vung Tau	3	7	9	11
An Linh	Tuy An- Phu Yen	4	6	6	10
An Phu	Thuan An - Binh Duong	5	9	11	14
Khanh Binh	Thu Dau mot- Binh Duong	3	4	4	3
Duc Binh Tay	Song Hinh- Phu Yen	2	6	7	9
Average		3.7	6.3	8.3	10.8

Note that due to different population size, the absolute number do not mean the same proportion of non-party members across communes. Moreover, the impact should be reflected by the changes over the years of GDR implementation. In general, this is captured by the average increase as in the Figure 2.

Figure 2 The average number of non-party members over the years of GDR implementation



We can see the increase after the GDR was introduced was quite significant. By 2005, the non-party members were increased markedly by almost 300% compared with the period before 1998. The changes happened in the periods 1998-2005 were also significant. By 2005, this was more or less steady as expected.

This, however, should be interpreted carefully as the increased number does not have 1-1 correlation with the decision power increase, as the key positions still belongs to the party members. However, this undoubtedly increase the *accountability* of the officials as well as the transparency of decision making process.

Indicator 2 - Budget inspection

Of the most concerned issues among folks at commune level, commune expenditure always ranked the first. This is not surprised since the income level of people in rural areas are extremely low, the poverty level is highest in the country. (See World Bank, 1999). Moreover, the abuse and wrong spending of public funds (contributed by village population for local infrastructure building) was the main cause of many rural unrests during late 1990s such as in Thai Binh province. See Nguyen Van Sau and Ho Van Thong 2003, and 2005)

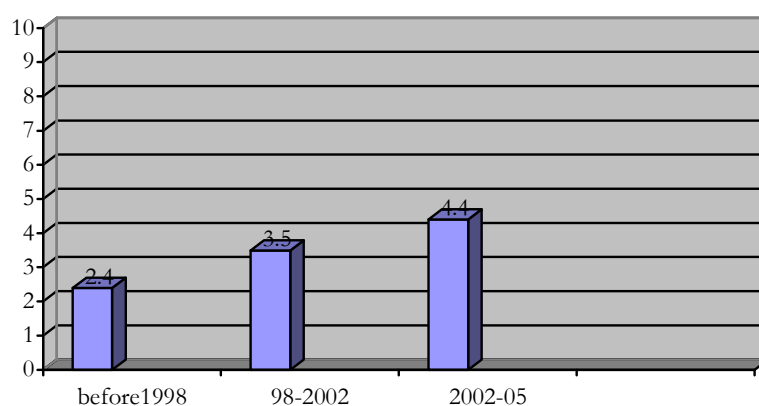
Budget inspection (generally regulated by GDR and done by a small independent group of 5 to 7 people chosen from villages and mass organizations) has provided commune people an institutional access to all financial document proceeded by commune government. In practice, however, budget inspection has been interpreted and applied differently across time and space.

We assumed that the frequency of budget inspection has been increased since 1998. Our metric here is the average number of budget inspections done by all 30 communes during three periods : before 1998, 1998-2002 and 2003-2005. See The Table 2

Table 2: Budget inspection (Unit: Number of cases)

Commune	District- Province	<1998	98-02	2002 - 2005
Giai Pham	Yen My_ Hung Yen	3	4	5
Tran Cao	Phu Cu_ Hung Yen	3	4	5
Thach Khoi	Gia Loc_ Hai Duong	3	5	5
Dien Duong	Dien Ban_ Quang Nam	2	5	4
Hoa Tien	Hoa Vang - Da Nang	3	6	5
An Phu	Thuan An - Binh Duong	2	4	6
Lam Ha	Phu ly- Ha Nam	2	4	5
Cam Chau	Hoi an -Quang Nam	3	5	6
Hoa Phong	Hoa Vang - Quang nam	2	5	5
Dong tam	Dong Phu- Binh Phuoc	3	4	5
An Vinh Ngai	Tan An- Long An	3	4	5
Loc Thai	Loc Ninh - Binh Phuoc	3	5	5
Hoa Qui	Hoa Vang- Quang Nam	3	4	5
Trung Luong	Binh Luc- Ha Nam	3	3	6
An Ngai	Long Bien- Vung Tau	1	4	5
Tho Binh	Chiem Hoa- Tuyen Quang	2	4	5
Dang le	An Thi- Hung Yen	3	4	5
An Vy	Khoai Chau- Hung Yen	2	3	3
Hung Thang	Binh Giang- Hai Duong	1	2	3
Cao Son	Cam Giang- Hai Duong	2	2	3
An Tuong	Yen Son- Tuyen Quang	2	2	3
Tien Ngoai	Duy Tien- Ha Nam	2	1	3
An Linh	Tuy An- Phu Yen	1	3	5
Hoa Xuan	Hoa Vang- Da Nang	3	3	4
Tien Thanh	Dong Xoai- Binh Phuoc	3	2	4
Tan Chanh	Can Duoc - Long An	3	1	3
Khanh Binh	Thu Dau mot- Binh Duong	3	2	3
Duc Binh Tay	Song Hinh- Phu Yen	2	3	3
Phuoc Duc	Phuoc Son- Quang Nam	1	3	4
Don Nhan	Lap Thach- Vinh Phuc	2	3	5
Sum		71	104	133
Average		2.4	3.5	4.4

Figure 2 Average number of budget inspections per year



Indicator 3 - Dispute solving

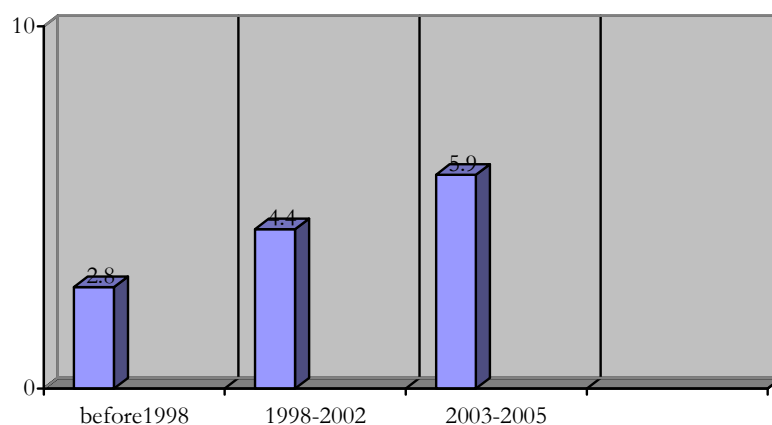
In rural life, disputes over the problems of “land, human management and money” lie at the core of all commune government’s working agenda. With the implementation of GDR since 1998, these disputes remarkably emerged in number (especially those coming from bottom up) challenging the problem-solving capacity of commune government. Our metric here is the average number of disputes coming from Village’s meetings (held by 30 communes during three periods : before 1998, 1998-2002, and 2002-2005) which were recorded in written document , put into commune’s working agenda and successfully solved .

Table 3 – Dispute Solving (unit: number of cases)

Commune	District- Province	Before 1998	1998 - 2002	2003 - 2005
Giai Pham	Yen My - Hung Yen	4	5	8
Tran Cao	Phu Cu - Hung Yen	4	5	8
Thach Khoi	Gia Loc - Hai Duong	3	6	6
Dien Duong	Dien Ban - Quang Nam	4	6	7
Hoa Tien	Hoa Vang - Da Nang	3	5	7
An Phu	Thuan An - Binh Duong	2	5	7
Lam Ha	Phu ly- Ha Nam	4	5	8
Cam Chau	Hoi an - Quang Nam	4	6	8
Hoa Phong	Hoa Vang - Quang nam	4	6	6
Dong tam	Dong Phu- Binh Phuoc	2	5	6
An Vinh Ngai	Tan An- Long An	3	4	6
Loc Thai	Loc Ninh - Binh Phuoc	1	4	5

Hoa Qui	Hoa Vang- Quang Nam	4	4	6
Trung Luong	Binh Luc- Ha Nam	2	3	5
An Ngai	Long Bien- Vung Tau	2	5	7
Tho Binh	Chiem Hoa- Tuyen Quang	2	5	7
Dang le	An Thi- Hung Yen	4	5	6
An Vy	Khoai Chau- Hung Yen	4	4	6
Hung Thang	Binh Giang- Hai Duong	3	4	6
Cao Son	Cam Giang- Hai Duong	2	3	4
An Tuong	Yen Son- Tuyen Quang	4	5	7
Tien Ngoai	Duy Tien- Ha Nam	3	4	5
An Linh	Tuy An- Phu Yen	3	3	3
Hoa Xuan	Hoa Vang- Da Nang	3	5	6
Tien Thanh	Dong Xoai- Binh Phuoc	2	5	7
Tan Chanh	Can Duoc - Long An	2	4	6
Khanh Binh	Thu Dau mot- Binh Duong	3	4	5
Duc Binh Tay	Song Hinh- Phu Yen	1	2	2
Phuoc Duc	Phuoc Son- Quang Nam	1	2	4
Don Nhan	Lap Thach- Vinh Phuc	2	3	2
Sum		85	132	176
Average		2.8	4.4	5.9

Figure 3 Disputes solving



Indicator 4 - People participation

Building infrastructure (electricity station, irrigation system, road, school , village cultural house , healthcare center, and day-care center) is the main task performed by all commune governments. To build most of this projects , a considerable part of financial source comes from peasant households, not to mention that these projects affect directly all peasants' life.

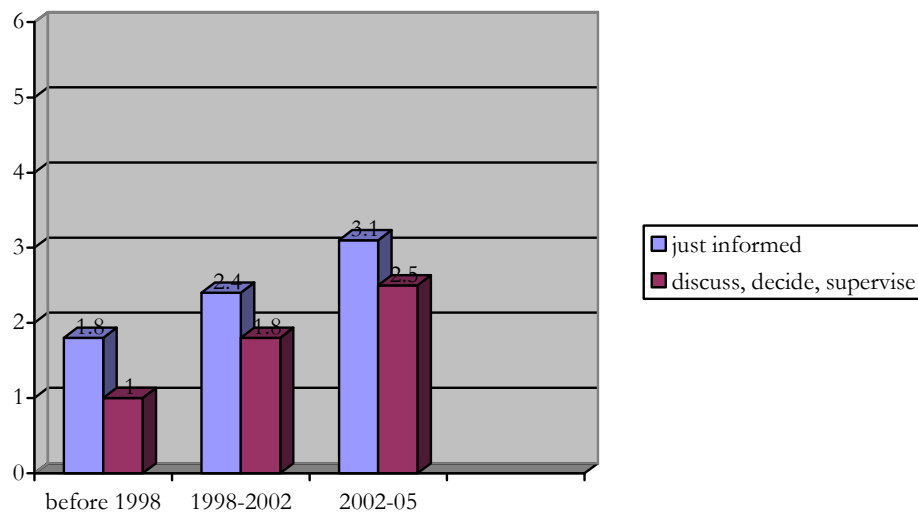
With the implementation of GDR, peasants' participatory role (what to be built, where to build, and how to build) has changed significantly. Our metric here is the average number of projects (built at 30 communes over three periods: before 1998, 1998-2002, 2003-2005) in which commune people : a/ were just informed (J) ; and b/ both informed and discussed, decided and supervised.

Table 4 – People Participation in decision to develop local infrastructure (Number of building projects)

Commune	District- Province	Before 1998		1998- 2002		2003 -2005	
		a	b	a	b	a	b
Giai Pham	Yen My_ Hung Yen	3	1	4	3	5	3
Tran Cao	Phu Cu_ Hung Yen	3	1	4	2	3	3
Thach Khoi	Gia Loc_ Hai Duong	3	0	4	2	5	2
Dien Duong	Dien Ban_ Quang Nam	2	2	3	3	4	3
Hoa Tien	Hoa Vang - Da Nang	3	2	4	3	4	3
An Phu	Thuan An - Binh Duong	1	1	4	2	5	3
Lam Ha	Phu ly- Ha Nam	3	1	2	2	3	3
Cam Chau	Hoi an -Quang Nam	3	1	3	2	3	2
Hoa Phong	Hoa Vang - Quang nam	2	0	3	2	4	2
Dong tam	Dong Phu- Binh Phuoc	1	0	3	1	2	2
An Vinh Ngai	Tan An- Long An	2	0	2	3	2	2
Loc Thai	Loc Ninh - Binh Phuoc	2	2	2	2	4	2
Hoa Qui	Hoa Vang- Quang Nam	3	2	2	2	4	3
Trung Luong	Binh Luc- Ha Nam	1	2	4	1	4	3
An Ngai	Long Bien- Vung Tau	1	1	4	1	3	3
Tho Binh	Chiem Hoa- Tuyen Quang	2	1	3	1	3	3
Dang le	An Thi- Hung Yen	2	2	3	1	2	2
An Vy	Khoai Chau- Hung Yen	2	2	1	2	3	3
Hung Thang	Binh Giang- Hai Duong	0	1	1	2	4	3
Cao Son	Cam Giang- Hai Duong	0	2	2	2	2	2
An Tuong	Yen Son- Tuyen Quang	2	0	1	3	2	2
Tien Ngoai	Duy Tien- Ha Nam	2	2	2	2	2	2
An Linh	Tuy An- Phu Yen	3	1	2	1	3	2
Hoa Xuan	Hoa Vang- Da Nang	3	1	0	1	3	2
Tien Thanh	Dong Xoai- Binh Phuoc	0	0	2	1	4	2
Tan Chanh	Can Duoc - Long An	0	0	2	2	2	3
Khanh Binh	Thu Dau mot- Binh Duong	0	1	1	2	2	2
Duc Binh Tay	Song Hinh- Phu Yen	2	1	3	1	2	3
Phuoc Duc	Phuoc Son- Quang Nam	1	0	1	1	3	3
Don Nhan	Lap Thach- Vinh Phuc	1	0	1	1	2	2
Sum		53	30	73	54	94	75
Average		1.8	1	2.4	1.8	3.1	2.5

Obviously, value of column (b) reflect the *real* decision power of people. However, the value in column (a) is also important since the fact that people are informed about the project makes the decision making process more *transparent*. And transparency is important factor for democracy promotion. In general, both growth of (a) and (b) would show the positive impact of GDR. Moreover, the real power of people, as reflected by column (b), increase higher, compared with (a). (See Figure 4)

Figure 4 - People Participation



B. Subjective Indicators

Has the implementation of GDR left any impact on the way commune leaders think about politics and of doing politics? To measure this impact, we devised 4 indicators which are following:

Indicator 5: Bottom-up thinking vs. centralism

Before the introduction of GDR in 1998 (and especially before market economy was put into effect in 1986), centralism was the absolute dominant mode of thinking and doing politics at all levels of government. Accordingly,

there was almost no space for local autonomy and citizens' activeness in deciding what were their most basic needs and how to fulfill them.

But within only more than a decade of applying market mechanism, when social forces were liberalized –bringing about ever-seen achievements- “ back to the roots and local community” became the slogan of the day. This main tongue of social life has been echoed -and to a very important extent- institutionalized by the implementation of GDR since 1998. The most striking metamorphosis in local politics to appear in our repeated talks with commune leaders is a remarkable thinking depolarization , coupled with a strong trend toward a more pragmatic approach to public affairs.

Political thinking depolarization is attributable primarily to a rightward convergence of different views on a whole series of most controversial issues, sparked by a powerful trend toward moderation among politicians. The net effect of this change is summarized in figure 5, based on questions about market economy, local autonomy , and collective action. (See box below)

Components of Political Thinking Depolarization Index

1. Market Economy & Individual Capital Accumulation represent a threat to the country ?
2. In solving social and economic problems , it is essential that technical considerations should have most important weight ?
3. For the most important development projects at commune level to be successful and sustainable, having the widest consensus among commune people is the key ?
4. Commune government should be given more autonomy, especially in term of financial and personnel management ?

***Note.** Respondents “ agree completely ” and “ disagree completely” are coded “extremists” while the rest two categories are coded “ moderates”.*

These 4 components represent a wide range of issues, from a very general and ideological (question 1) to a very specific, close to everyday life (question 4).

In reality, the debate about the market economy and related issues such as capital accumulation, private ownership is quite common even among uneducated people. This due to many reasons. Essentially, Marxism and Leninism are officially declared as the theoretical foundation of the CPV. The compatibility of private ownership right, or of market in general, with the socialism lies at the heart of many debate, and despite its ideological and theoretical nature, its directly affect people daily life, especially their economic activities.

The second question touched another aspect of political life in Vietnam. There is no clear distinction between politicians and technocrats (professional careers). Government position in Vietnam have both political and professional requirements. In the past, political requirements are dominated. Appointments were based more and more on party membership rather than on merit. The assumption was that party members are professionally better.

Our metric here is the numbers of 30 communes' leaders (Chairman of commune People Committee) who responded "agreed completely" (AC), "more or less agreed" (MLA), "more or less disagreed" (MLD), "disagree completely" (DC) with each item during two periods: 1999, 2005.

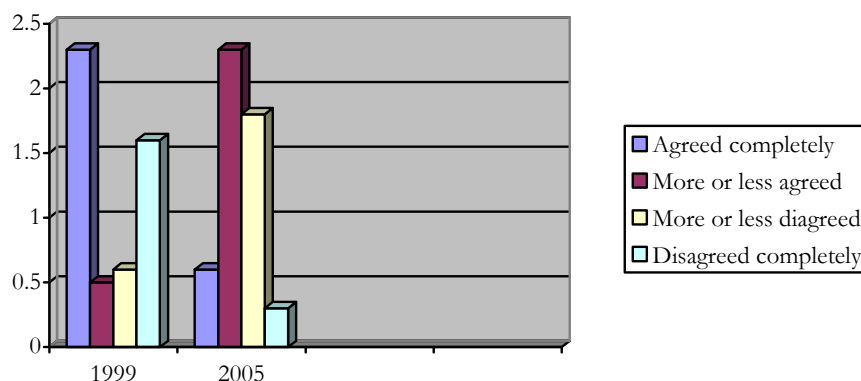
Table 5: Bottom-up thinking vs. centralism (the number of agreement with 5 questions)

Commune	District- Province	1999				2005			
		AC	ML A	ML D	DC	AC	ML A	ML D	DC
Giai Pham	Yen My_ Hung Yen	3	0	0	2	1	3	1	0
Tran Cao	Phu Cu_ Hung Yen	2	1	0	2	1	3	1	0
Thach Khoi	Gia Loc_ Hai Duong	3	0	1	1	1	2	2	0
Dien Duong	Dien Ban_ Quang Nam	1	0	1	3	1	2	2	0
Hoa Tien	Hoa Vang - Da Nang	2	0	1	2	0	2	3	0
An Phu	Thuan An - Binh Duong	2	1	0	2	1	3	1	0
Lam Ha	Phu ly- Ha Nam	2	1	1	1	0	2	3	0
Cam Chau	Hoi an -Quang Nam	3	0	0	2	0	2	3	0
Hoa Phong	Hoa Vang - Quang nam	3	1	0	1	1	2	1	1
Dong tam	Dong Phu- Binh Phuoc	2	0	0	3	1	1	3	0
An Vinh Ngai	Tan An- Long An	2	2	1	0	0	2	3	0

Loc Thai	Loc Ninh - Binh Phuoc	3	0	1	1	1	3	0	1
Hoa Qui	Hoa Vang- Quang Nam	1	0	1	3	1	3	1	0
Trung Luong	Binh Luc- Ha Nam	2	1	0	2	1	2	2	0
An Ngai	Long Bien- Vung Tau	3	2	0	0	0	2	2	1
Tho Binh	Chiem Hoa- Tuyen Quang	2	0	1	2	0	3	1	1
Dang le	An Thi- Hung Yen	3	1	0	1	1	3	1	0
An Vy	Khoai Chau- Hung Yen	2	1	1	1	0	2	3	0
Hung Thang	Binh Giang- Hai Duong	3	0	2	0	1	3	1	0
Cao Son	Cam Giang- Hai Duong	3	0	0	2	1	1	2	1
An Tuong	Yen Son- Tuyen Quang	2	0	1	2	0	3	2	0
Tien Ngoai	Duy Tien- Ha Nam	2	0	1	2	0	3	2	0
An Linh	Tuy An- Phu Yen	3	1	0	1	1	3	0	1
Hoa Xuan	Hoa Vang- Da Nang	3	0	1	1	0	3	1	1
Tien Thanh	Dong Xoai- Binh Phuoc	2	0	1	2	0	2	3	0
Tan Chanh	Can Duoc - Long An	1	1	0	3	1	1	3	0
Khanh Binh	Thu Dau mot- Binh Duong	3	0	0	2	1	0	3	1
Duc Binh Tay	Song Hinh- Phu Yen	2	0	1	2	0	3	1	1
Phuoc Duc	Phuoc Son- Quang Nam	3	1	0	1	1	2	1	1
Don Nhan	Lap Thach- Vinh Phuc	2	0	1	2	1	3	1	0
Sum		70	14	17	49	18	69	53	10
Average		2.3	0.5	0.6	1.6	0.6	2.3	1.8	0.3

Note: the survey is conducted for the chairman of People Committee only, so there are 30 respondents. Each respondent will have 5 question, which must be marked as either 1 of the 4 level predefined.

Figure 5 - Political thinking depolarization



Remarkably, the political opinions and thinking were diversified, more independent. The U-shape in 1999, which represent the “common thinking” was reversed into inverted- U-Shape in 2005, which indicated the fact that people are more informed and more responsible for their own activities. As a result people hold more balanced views on a wide range of issues

Indicator 6 - Tolerance

As political thinking distances narrowed, tolerance developed. In our surveys, we asked commune leaders to indicate their sympathy toward conflicts, opponents, and individual values. Our metric here is the percentage of 30 communes’ leaders agreeing with our statement during three periods : 1999, 2002 and 2005.

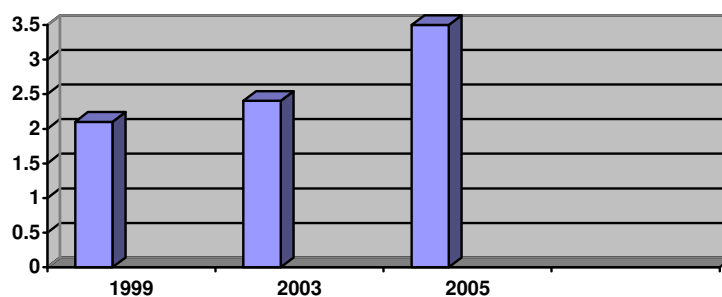
Statements with which commune leaders agreed

1. Reconcilable conflicts and disputes are typical of contemporary society.
2. In political controversies, one should avoid extreme positions because the proper solution usually lies in the middle.
3. In the final analysis, merit system provide the best mechanism for promotion rather than any other protagonist one.

Table 6 Tolerance (Number of commune leaders agreed)

Commune	District- Province	1999	2003	2005
Giai Pham	Yen My_ Hung Yen	3	2	4
Tran Cao	Phu Cu_ Hung Yen	3	3	4
Thach Khoi	Gia Loc_ Hai Duong	3	3	3
Dien Duong	Dien Ban_ Quang Nam	2	3	4
Hoa Tien	Hoa Vang - Da Nang	2	2	4
An Phu	Thuan An - Binh Duong	3	3	4
Lam Ha	Phu ly- Ha Nam	2	2	4
Cam Chau	Hoi an -Quang Nam	2	2	3
Hoa Phong	Hoa Vang - Quang nam	3	2	2
Dong tam	Dong Phu- Binh Phuoc	3	3	4
An Vinh Ngai	Tan An- Long An	1	2	4
Loc Thai	Loc Ninh - Binh Phuoc	2	2	4
Hoa Qui	Hoa Vang- Quang Nam	2	2	3
Trung Luong	Binh Luc- Ha Nam	2	2	3
An Ngai	Long Bien- Vung Tau	2	2	3
Tho Binh	Chiem Hoa- Tuyen Quang	3	2	4
Dang le	An Thi- Hung Yen	2	3	3
An Vy	Khoai Chau- Hung Yen	3	3	4
Hung Thang	Binh Giang- Hai Duong	1	2	3
Cao Son	Cam Giang- Hai Duong	3	3	3
An Tuong	Yen Son- Tuyen Quang	1	2	4
Tien Ngoai	Duy Tien- Ha Nam	1	2	4
An Linh	Tuy An- Phu Yen	2	3	4
Hoa Xuan	Hoa Vang- Da Nang	2	3	3
Tien Thanh	Dong Xoai- Binh Phuoc	2	2	3
Tan Chanh	Can Duoc - Long An	1	2	3
Khanh Binh	Thu Dau mot- Binh Duong	3	3	2
Duc Binh Tay	Song Hinh- Phu Yen	1	2	4
Phuoc Duc	Phuoc Son- Quang Nam	2	2	3
Don Nhan	Lap Thach- Vinh Phuc	1	2	4
Sum		63	71	104
Average		2.1	2.4	3.5

Figure 6 Tolerance



Indicator 7 - Public satisfaction with commune governments .

How voters at commune level satisfy with the performance of their direct government might be a good indicator, if GDR is to leave any positive impact on politicians' behavior. We surveyed opinion of 50 people randomly chosen about their level satisfaction with local government performance in various years. In the questionnaire, 4 different levels were identified as very satisfied (V), Relatively Satisfied (R), Little Satisfied (L), Not Satisfied (N). Table 7 summarizes the data collected, where each column shows the number of people has that specific level of satisfaction.

Table 7 – Public Satisfaction with Local commune Governments (Number of people)

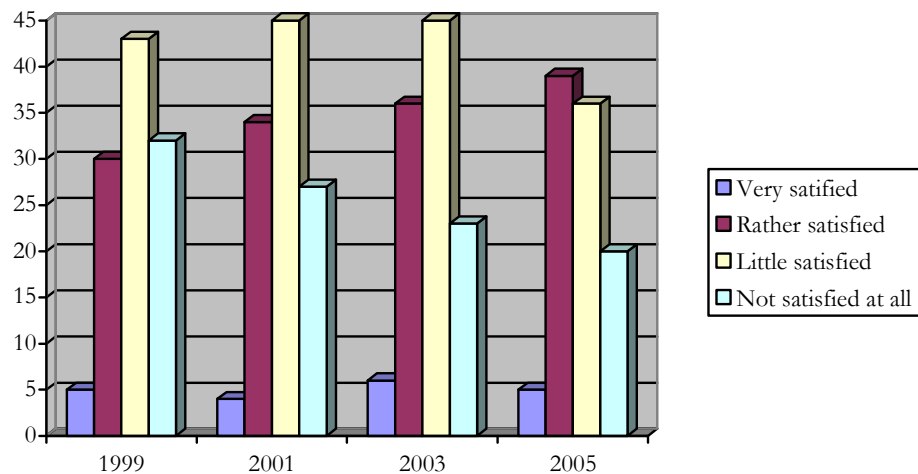
Commune	District- Province	1999				2001				2003				2005			
		V	R	L	N	V	R	L	N	V	R	L	N	V	R	L	N
Giai Pham	Yen My_ Hung Yen	3	14	19	14	2	15	21	12	5	18	19	9	3	22	18	6
Tran Cao	Phu Cu_ Hung Yen	3	12	19	15	1	16	21	12	5	18	19	8	2	21	18	6
Thach Khoi	Gia Loc_ Hai Duong	2	16	17	15	2	16	20	12	4	16	20	9	3	20	17	7
Dien Duong	Dien Ban_ Quang Nam	5	14	17	14	0	15	20	14	3	16	20	9	2	20	20	7
Hoa Tien	Hoa Vang - Da Nang	3	12	19	15	0	15	20	13	3	15	19	9	1	22	20	6
An Phu	Thuan An - Binh Duong	4	13	18	14	0	13	19	15	2	15	18	8	1	21	17	6
Lam Ha	Phu ly- Ha Nam	1	14	15	19	2	14	18	16	2	16	18	9	3	21	17	4
Cam Chau	Hoi an -Quang Nam	3	12	19	16	1	14	19	14	1	17	19	7	0	20	18	7
Hoa Phong	Hoa Vang - Quang nam	1	13	21	15	1	14	19	14	0	17	20	7	2	21	20	6
Dong tam	Dong Phu- Binh Phuoc	1	13	20	16	2	14	18	13	0	18	20	9	3	19	20	7
An Vinh Ngai	Tan An- Long An	0	12	18	17	2	14	18	15	1	18	18	8	2	22	17	6
Loc Thai	Loc Ninh - Binh Phuoc	3	11	19	17	0	15	19	14	0	17	19	7	0	21	17	4
Hoa Qui	Hoa Vang- Quang Nam	4	13	18	14	0	16	20	12	0	17	20	7	3	19	16	6
Trung Luong	Binh Luc- Ha Nam	3	10	20	15	2	16	20	12	3	18	18	9	2	19	19	6
An Ngai	Long Bien- Vung Tau	2	11	20	17	0	13	20	11	1	16	18	9	0	21	16	6
Tho Binh	Chiem Hoa- Tuyen Quang	3	13	19	15	1	13	21	13	4	16	19	8	2	18	16	7
Dang le	An Thi- Hung Yen	3	12	18	16	2	12	21	15	4	16	20	8	3	21	15	7
An Vy	Khoai Chau- Hung Yen	3	12	19	15	2	13	19	13	5	15	20	9	3	21	18	4
Hung Thang	Binh Giang- Hai Duong	4	10	16	17	0	13	20	13	3	17	18	9	3	22	18	4
Cao Son	Cam Giang- Hai Duong	0	13	17	17	1	15	19	16	3	17	18	9	2	21	16	6
An Tuong	Yen Son- Tuyen Quang	2	12	17	18	1	15	19	15	4	18	19	9	0	19	16	4
Tien Ngoai	Duy Tien- Ha Nam	1	12	18	13	2	14	18	13	3	15	19	8	3	19	17	5
An Linh	Tuy An- Phu Yen	4	11	20	14	0	13	19	14	3	15	20	8	1	22	17	7

Hoa Xuan	Hoa Vang- Da Nang	2	11	21	14	1	14	21	13	2	16	20	9	3	18	19	5
Tien Thanh	Dong Xoai- Binh Phuoc	4	13	18	14	0	14	19	13	2	16	18	8	1	18	17	5
Tan Chanh	Can Duoc - Long An	2	11	19	13	0	12	20	12	1	17	16	7	0	22	16	7
Khanh Binh	Thu Dau mot- Binh Duong	3	12	19	15	2	12	21	12	0	18	19	7	3	19	16	4
Duc Binh Tay	Song Hinh- Phu Yen	5	13	18	14	2	14	19	12	0	18	19	9	1	21	17	6
Phuoc Duc	Phuoc Son- Quang Nam	5	14	17	14	1	15	18	11	3	17	18	8	3	21	17	6
Don Nhan	Lap Thach- Vinh Phuc	1	13	21	15	0	15	21	14	3	16	19	7	3	21	18	6
Sum		80	372	556	457	30	424	587	398	70	499	567	247	58	612	523	173
Average		2.7	12.4	18.5	15.2	1	14.1	19.6	13.3	2.3	16.6	18.9	8.2	1.9	20.4	17.4	5.8

Note: V – Very Satisfied, R – Relatively Satisfied, L – Little Satisfied, N – Not Satisfied

Figure 7 compares voter satisfaction with commune government over four periods: 1999, 2001, 2003, 2005.

Figure 7 Public satisfaction



C. Index of GDR Impact

From all seven indicators, we build up an index of GDR impact as follows:

1. For each indicator we calculate the *absolute difference* between their *average* values in 2005 and 1998. For indicator 5, we will take the difference between average values of (MLA + MLD) as this measure the depolarization of political thinking. For the indicator 7, we will take the difference between average values of (L+N).

2. The biggest and smallest values will be assigned coefficients (factor

loading) 1 and 0 accordingly.

3. Each indicator will have factor loading (FL) calculated by standardizing their value to the scale from 0 to 1 according to step 2 (i.e. by the formula: $FL = (Value - Smallest) / (Biggest - Smallest)$)

The result is shown in Table 8 below:

Table 8 - Index of GDR Impact Coefficient

Indicator	Impact of GDR (= Average Value in 2005 – Average Value in 1998)	Factor loading
1 – Non party member	7.1	0.62637
2 - budget inspection	2	0.06593
3 - Dispute solving	3.1	0.18681
4 - People participation	1.5	0.01098
5 - Political thinking	3	0.17582
6 - Tolerance	1.4	0
7 - Public satisfaction	10.5	1

4. Based on this index coefficients (factor loading), we can calculate the total (unified) GDR impact for each communes from data of 7 indicators as shown in Table 9. The main idea of such a total index is to preserve ranking order and intensity degree of difference between communes. (See also Appendix 1 for concrete calculations).

Table 9 – GDR Impact for each Commune

Commune	District- Province	GDR impact
<i>Giai Pham</i>	<i>Yen My_ Hung Yen</i>	<i>16.241</i>
<i>Tran Cao</i>	<i>Phu Cu_ Hung Yen</i>	<i>17.066</i>
<i>Thach Khoi</i>	<i>Gia Loc_ Hai Duong</i>	<i>14.879</i>
Dien Duong	Dien Ban_ Quang Nam	8.9887
Hoa Tien	Hoa Vang - Da Nang	15.23
An Phu	Thuan An - Binh Duong	16.384
<i>Lam Ha</i>	<i>Phu ly- Ha Nam</i>	<i>18.878</i>
Cam Chau	Hoi an -Quang Nam	16.767
Hoa Phong	Hoa Vang - Quang nam	15.956
Dong tam	Dong Phu- Binh Phuoc	17.494
An Vinh Ngai	Tan An- Long An	19.956

Loc Thai	Loc Ninh - Binh Phuoc	22.494
Hoa Qui	Hoa Vang- Quang Nam	17.934
<i>Trung Luong</i>	<i>Binh Luc- Ha Nam</i>	<i>16.934</i>
An Ngai	Long Bien- Vung Tau	21.582
<i>Tho Binh</i>	<i>Chiem Hoa- Tuyen Quang</i>	<i>18.318</i>
<i>Dang le</i>	<i>An Thi- Hung Yen</i>	<i>19.296</i>
<i>An Vy</i>	<i>Khoai Chau- Hung Yen</i>	<i>19.242</i>
<i>Hung Thang</i>	<i>Binh Giang- Hai Duong</i>	<i>15.824</i>
<i>Cao Son</i>	<i>Cam Giang- Hai Duong</i>	<i>16.098</i>
<i>An Tuong</i>	<i>Yen Son- Tuyen Quang</i>	<i>21.362</i>
<i>Tien Ngoai</i>	<i>Duy Tien- Ha Nam</i>	<i>14.527</i>
An Linh	Tuy An- Phu Yen	14.384
Hoa Xuan	Hoa Vang- Da Nang	14.67
Tien Thanh	Dong Xoai- Binh Phuoc	13.604
Tan Chanh	Can Duoc - Long An	11.56
Khanh Binh	Thu Dau mot- Binh Duong	14.912
Duc Binh Tay	Song Hinh- Phu Yen	14.186
Phuoc Duc	Phuoc Son- Quang Nam	10.395
<i>Don Nhan</i>	<i>Lap Thach- Vinh Phuc</i>	<i>13.999</i>

Using this result, we can rank 30 communes under the study accordingly to the level by which they are influenced by GDR. The relative impact (factor loading) can be calculated in the same manner.

Table 10 – Ranking of communes by GDR Impact

Rank	Commune	District- Province	GDR impact	Factor loading
01	Loc Thai	Loc Ninh - Binh Phuoc	22.494	1
02	An Ngai	Long Bien- Vung Tau	21.582	0.932471
03	<i>An Tuong</i>	<i>Yen Son- Tuyen Quang</i>	<i>21.362</i>	<i>0.916181</i>
04	An Vinh Ngai	Tan An- Long An	19.956	0.812074
05	<i>Dang le</i>	<i>An Thi- Hung Yen</i>	<i>19.296</i>	<i>0.763204</i>
06	<i>An Vy</i>	<i>Khoai Chau- Hung Yen</i>	<i>19.242</i>	<i>0.759206</i>
07	<i>Lam Ha</i>	<i>Phu ly- Ha Nam</i>	<i>18.878</i>	<i>0.732253</i>
08	<i>Tho Binh</i>	<i>Chiem Hoa- Tuyen Quang</i>	<i>18.318</i>	<i>0.690788</i>
09	Hoa Qui	Hoa Vang- Quang Nam	17.934	0.662355

10	Dong tam	Dong Phu- Binh Phuoc	17.494	0.629775
11	<i>Tran Cao</i>	<i>Phu Cu_ Hung Yen</i>	<i>17.066</i>	<i>0.598084</i>
12	<i>Trung Luong</i>	<i>Binh Luc- Ha Nam</i>	<i>16.934</i>	<i>0.58831</i>
13	Cam Chau	Hoi an -Quang Nam	16.767	0.575944
14	An Phu	Thuan An - Binh Duong	16.384	0.547585
15	<i>Giai Pham</i>	<i>Yen My_ Hung Yen</i>	<i>16.241</i>	<i>0.536997</i>
16	<i>Cao Son</i>	<i>Cam Giang- Hai Duong</i>	<i>16.098</i>	<i>0.526408</i>
17	Hoa Phong	Hoa Vang - Quang nam	15.956	0.515894
18	<i>Hung Thang</i>	<i>Binh Giang- Hai Duong</i>	<i>15.824</i>	<i>0.50612</i>
19	Hoa Tien	Hoa Vang - Da Nang	15.23	0.462137
20	Khanh Binh	Thu Dau mot- Binh Duong	14.912	0.438591
21	<i>Thach Khoi</i>	<i>Gia Loc_ Hai Duong</i>	<i>14.879</i>	<i>0.436147</i>
22	Hoa Xuan	Hoa Vang- Da Nang	14.67	0.420672
23	<i>Tien Ngoai</i>	<i>Duy Tien- Ha Nam</i>	<i>14.527</i>	<i>0.410083</i>
24	An Linh	Tuy An- Phu Yen	14.384	0.399495
25	Duc Binh Tay	Song Hinh- Phu Yen	14.186	0.384834
26	<i>Don Nhan</i>	<i>Lap Thach- Vinh Phuc</i>	<i>13.999</i>	<i>0.370988</i>
27	Tien Thanh	Dong Xoai- Binh Phuoc	13.604	0.34174
28	Tan Chanh	Can Duoc - Long An	11.56	0.190392
29	Phuoc Duc	Phuoc Son- Quang Nam	10.395	0.104129
30	Dien Duong	Dien Ban_ Quang Nam	8.9887	0

Analyzing this table we can see some characteristics:

1. All communes experienced marked impact of GDR although the impact were widely different among them, even among those communes which belong to the same province such as Tien Thanh (ranking 27 with GDR impact value = 13.60) and Loc Thai (ranking 1, GDR impact = 22.49) from the Binh Phuoc province. Similarly, 2 communes from the Quang Nam province : Dien Duong (rank 30) and Hoa Quy (rank 9) are markedly different. Note that these communes are from the South. For the North communes (in italic), the GDR impact was more even distribute in the same province.

2. Unexpectedly, there is **no significant** difference in GDR impact between region (especially between North and South). In other words, the regional factor was not confirmed, contrary to common belief among

Vietnamese. Historically, the South was under a different political regime for a long time (relative autonomy under French rule for almost 100 years before 1945, then under the Vietnam Republic until national reunification in 1975). Moreover, the level of economic development, and especially, the market economy with its private ownership are expected to leave a deep impact on the people perception and values regarding the political participation and social responsibility. Specifically, the South people are commonly viewed as more responsible to the relaxing political restriction as in the case with GDR. The result of our measurement did not confirm this common belief.

There is no easy way to explain this counter-intuitive result. We suggest two factors which may shed light on this result:

i) The fact that the first and biggest social protest did happen in the North was actually consistent with the result. This case of social and political unrest in Thai-binh province in 1997 (which was the most direct cause for the introduction of GDR as many observers believed) may suggest that another side of the democratization – the “supply side”. That is, while, the demand for a more democratic regulation might be higher and embedded in the social and political tradition of the South, people in the South either are not ready to take opportunity, either do not believe the real intent of the GDR. Plainly speaking, they do not have such a political status (as the North does) to minimize the risk of being victims of local government officials.

ii) As the GDR was just a regulation and at the grassroots level, its impact are severely restricted by the general national political structure (especially at the central level), which was uniform throughout the country. Therefore, the impact can not be different, if the main restriction are the same for all regions and provinces. In other words, the expected difference will be obvious only in the case there is a democratic regulation at **all** levels.

These 2 suggestions are just hypotheses, a deeper investigation are needed before we can have better reasons to confirm or reject them.

IV - Explaining the difference in GDR impact

Why does GDR impact vary considerably across communes? In this study, we assumed that there might be two group of explaining factors : political culture and economic development. Generally speaking, these two group of variables are related, though not necessarily 1-1. The assumptions here are the cultural variables are relatively unchanged even in a quite long period, as it is depended also on traditions, customs etc. Meanwhile, economic factors are changing relatively fast. Especially, over the last 10 – 20 years, the income of individuals in rural areas were improved markedly.

Economic development is measured by two indicators : Annual income per capita and percentage of non-agricultural sector income. We expected that with higher income and the inter-related nature of industrial production may be the factor lied behind the difference in GDR impact. The intuition here is that with the higher level of economic development, the need to be involved in decision making process will be higher. Once GDR was introduced, those communes with higher income level will experienced higher impacts of GDR as their needs are revealed. Data on the economic development variables are presented in Table 11.

Table 11 – Economic Development status of Communes

Commune	Annual Income per capita(VND)	Factor loading	Percentage of non-agricultural sector income (as % of total production value)	Factor loading	SUM
Giai Pham	980,000	0.75	25	0.01	0.76
Tran Cao	1,000,000	0.77	27	0.04	0.81
Thach Khoi	990,000	0.76	24	0	0.76
Dien Duong	1,200,000	1	28	0.06	1.06
Hoa Tien	900,000	0.66	26	0.03	0.69
An Phu	920,000	0.68	27	0.05	0.73
Lam Ha	890,000	0.65	40	0.25	0.90
Cam Chau	786,000	0.53	28	0.06	0.59

Hoa Phong	788,000	0.53	40	0.25	0.78
Dong tam	790,000	0.53	27	0.05	0.58
An Vinh					
Ngai	742,000	0.48	44	0.31	0.79
Loc Thai	756,000	0.49	26	0.03	0.52
Hoa Qui	675,000	0.40	46	0.34	0.74
Trung Luong	658,000	0.38	50	0.4	0.78
An Ngai	761,000	0.50	57	0.51	1.01
Tho Binh	654,000	0.38	50	0.40	0.78
Dang le	734,000	0.47	54	0.460	0.93
An Vy	578,000	0.29	40	0.25	0.54
Hung Thang	586,000	0.30	61	0.57	0.87
Cao Son	475,000	0.17	35	0.17	0.34
An Tuong	389,000	0.70	75	0.78	1.48
Tien Ngoai	465,000	0.16	40	0.25	0.41
An Linh	433,000	0.12	77	0.82	0.94
Hoa Xuan	424,000	0.11	35	0.17	0.28
Tien Thanh	326,000	0	82	0.89	0.89
Tan Chanh	337,000	0.10	40	0.25	0.35
Khanh Binh	554,000	0.26	77	0.82	1.08
Duc Binh					
Tay	534,000	0.24	83	0.91	1.15
Phuoc Duc	467,000	0.16	80	0.87	1.03
Don Nhan	356,000	0.3	89	1	1.30

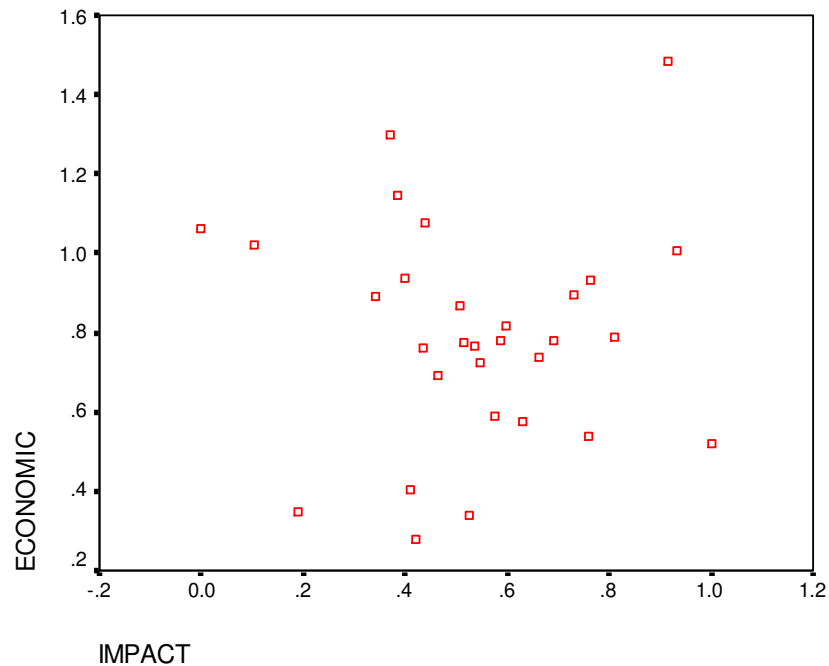
Political culture is measured by four indicators: voting turnout, annual commune meetings, newspaper readership, leisure time spending in sport and socio-cultural associations. These measurements are not perfect, as we can see they are somehow related to the income level. However, these 4 indicators also reflect the level of social involvement. For example, the indicator newspaper readership, although reflects the income level of the village, but not necessarily the personal income level. In Vietnam, especially in villages, there are so-called cultural houses (which can be compared to public libraries), where people can share their books, newspapers, use internet etc. .. to save the costs. See table 12.

Table 12 Cultural Variables

Commune	Voting turnout (% of total votes)	Factor loading	Attendance at commune meeting(as % of households)	Factor loading	Number of associations	Factor loading	Leisure time (hours)	Factor loading	FL SUM
Giai Pham	99	1	94	1	6	1	5	0.9	3.90
Tran Cao	99	1	90	0.94	6	1	4.5	0.8	3.74
Thach Khoi	78	0.38	92	0.97	5	0.8	4	0.7	2.85
Dien Duong	83	0.53	88	0.90	5	0.8	5.5	1	3.23
Hoa Tien	87	0.65	85	0.85	6	1	5	0.9	3.40
An Phu	84	0.56	87	0.89	5	0.8	4	0.7	2.95
Lam Ha	79	0.41	82	0.81	4	0.6	4.5	0.8	2.62
Cam Chau	82	0.5	90	0.94	6	1	3	0.5	2.94
Hoa Phong	86	0.62	84	0.84	4	0.6	4	0.7	2.76
Dong tam	81	0.47	79	0.76	6	1	5	0.9	3.13
An Vinh	79	0.41	80	0.77	5	0.8	3.5	0.6	2.56
Ngai									
Loc Thai	88	0.68	69	0.59	4	0.6	5	0.9	2.77
Hoa Qui	89	0.71	74	0.68	5	0.8	4	0.7	2.88
Trung									
Luong	79	0.41	68	0.58	4	0.6	3	0.5	2.09
An Ngai	85	0.59	70	0.61	5	0.8	4.5	0.8	2.80
Tho Binh	78	0.38	66	0.55	4	0.6	3	0.5	2.03
Dang le	79	0.41	58	0.42	5	0.8	3	0.5	2.13
An Vy	86	0.62	60	0.45	3	0.4	2.5	0.4	1.87
Hung Thang	79	0.41	52	0.32	3	0.4	3	0.5	1.63
Cao Son	78	0.38	49	0.27	3	0.4	2	0.3	1.36
An Tuong	8	0.53	44	0.19	4	0.6	2.5	0.4	1.72
Tien Ngoai	79	0.41	48	0.26	5	0.8	1	0.1	1.57
An Linh	77	0.35	56	0.39	2	0.2	2	0.3	1.24
Hoa Xuan	81	0.47	49	0.27	4	0.6	2	0.3	1.64
Tien Thanh	76	0.32	58	0.42	3	0.4	1.5	0.2	1.34
Tan Chanh	76	0.32	54	0.35	2	0.2	1	0.1	0.98
Khanh Binh	75	0.29	39	0.11	3	0.4	0.5	0	0.81
Duc Binh									
Tay	68	0.09	42	0.16	1	0	0.5	0	0.25
Phuoc Duc	65	0	32	0	2	0.2	1	0.1	0.30
Don Nhan	75	0.29	36	0.06	1	0	0.5	0	0.36

Treating GDR impact as dependent variable and political culture and economics factors as independent ones, we tested if there are any significant pattern of correlation between them. The result is shown in two figures 8 and 9 below.

Figure 8 Economic development and GDR impact

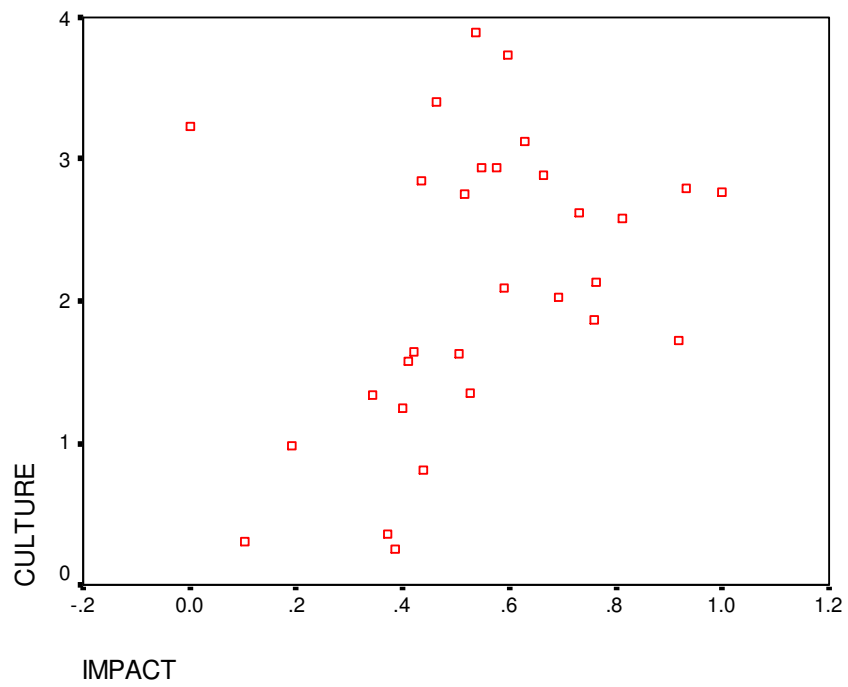


Note: Multiple R : 0.04538 R Square : 0.00206

Contrary to our expectation, there is no clear pattern of correlation between economic development and the level of GDR impact. Moreover, if we remove some outliers, the relation can be seen as reversed. That is, in the lower income level communes, the GDR tends to have a higher impact.

As for political culture variable, there are some clearer patterns of correlation as revealed in Figure 9, where those communes with traditions of community activities will experienced higher impact of GDR.

Figure 9 Political culture and GDR impact



Note : Multiple R : 0.51381 R Square 0.26400

V - Conclusion and Policy implications

This study tried to quantify the impact of GDR and its relations with economic and cultural factors in rural areas of Vietnam. The study conducted a survey of a range of communes from the North, the Central, and the South regions of Vietnam. The result showed some interesting facts:

1 – The GDR had a marked positive impact in *all* communes over the period from 1998 to 2005. This showed that the demand of the people for a more involvements in public decision – making process is high, and GDR partly satisfied this demand.

2 - Despite the similarity in local government structure, there were *significant difference* in the level of GDR impact, even among communes from the same province.

3 – The different regions, especially the North and the South, having different historical political development, *did not show difference* in GDR impact.

4 – Economic development level, contrary to our expectation, *did not reveal any clear pattern of correlation* with GDR impact. The difference in GDR impact is better explained by differences in political and social traditions of interaction

The results of the study also suggest direction for further policy improvements regarding the democratization process in Vietnam.

1) To increase the positive impact of GDR and limit its undesirable effects in general, the focus should be placed more on the access to information and the open exchange of knowledge and opinion. It is true that with economic growth and better income, the demand for and the access to information will improve in general. However, in the current conditions of rapid development of IT and internet, the access to information and knowledge can be granted to even the poorest village in the mountainous areas with low costs. Since this may not be profitable financially, this should be done by the government especially in rural, remote and mountainous areas, where the people income is still at low level, the private sector companies can not exploit the economy of scale and economy of scope.

2) In order to narrow the difference in GDR impact among different communes, the government should focus on several things: a) to confirm the political will to promote democracy at all level and in all areas of social life. This can be done by promoting legal status of GDR, making process to change it more difficult (e.g. require the approval of the national assembly); b) As the logic of power conflict tell us, the democracy at the grassroots level will depend importantly on the power relations at higher levels. Therefore, if the democracy at higher level is not improved (or even hindered by the higher authorities, e.g. district and provincial officials), the GDR impact at commune level will depends mostly on the specific district or provincial government officials. In short, while there is a need for a more rigorous and more satisfactory investigation of the problem, we have some good reasons to believe that democracy at the grassroots level can have their full potential positive effect only if higher level governments are also subject to the same regulations.

In theory, both economic and political factors should count for significant variance of GDR impact, but that is not true in our case. While the political culture seem to be much more influent, the economic development level seems to be *neutral* to the magnitude of GDR impact. In other words, it is contemporary civic engagement , not economic development, that directly affect the capability of commune government to make GDR work practically. More important, civic engagement may have powerful consequences for economic development , not vice-versa.

Finally, if evidence suggest that civic engagement counts for the most important part of our story, answering the question of how to develop civic culture among commune community can be seen as the key for a sustainable GDR in the future. The civic culture, in its turn, requires a long-term perspective in social planning and development. Its would need sustainable and system-wide reform programs at all levels and all sectors. Despite that, in the short term, there are many aspects the governments can do to improve the

situation, among which the most important are the promotion of discussion and information sharing, the promotion of transparency in decision making

VI - References

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**APPENDIX 1 - DETAILED CALCULATION OF GDR IMPACT IN
EACH COMMUNE**

Commune	District- Province	GDR effect value	GDR effect coefficient (standardized to 0-1 scale)	GDR impact
Giai Pham	Yen My_ Hung Yen	15-6	0.62637	5.6373
		5-3	0.06593	0.1318
		8-4	0.18681	0.7472
		3-1	0.01098	0.0219
		(3+1)-(0+0)	0.17582	0.7032
		4-3	0	0
		(19+14)-(18+6)	1	9
		Sum		16.241
Tran Cao	Phu Cu_ Hung Yen	15-6	0.62637	5.6373
		5-3	0.06593	0.1318
		8-4	0.18681	0.7472
		3-1	0.01098	0.0219
		(3+1)-(1+0)	0.17582	0.5274
		4-3	0	0
		(19+15)-(18+6)	1	10
		Sum		17.066
Thach Khoi	Gia Loc_ Hai Duong	13-4	0.62637	5.6373
		5-3	0.06593	0.1318
		6-3	0.18681	0.5604
		2-0	0.01098	0.0219
		(2+2)-(0+1)	0.17582	0.5275
		3-3	0	0
		(17+15)-(17+7)	1	8
		Sum		14.879
Dien Duong	Dien Ban_ Quang Nam	12-6	0.62637	3.7582
		4-2	0.06593	0.1318
		7-4	0.18681	0.5604
		3-2	0.01098	0.0109
		(2+2)-(0+1)	0.17582	0.5274
		4-2	0	0
		(17+14)-(20+7)	1	4
		Sum		8.9887
Hoa Tien	Hoa Vang - Da Nang	14-5	0.62637	5.6373
		5-3	0.06593	0.1318
		7-3	0.18681	0.7472
		3-2	0.01098	0.0109
		(2+3)-(0+1)	0.17582	0.7032
		4-2	0	0
		(19+15)-(20+6)	1	8
		Sum		15.230
An Phu	Thuan An - Binh Duong	14-5	0.62637	5.6373
		6-2	0.06593	0.2637
		7-2	0.18681	0.9340
		3-1	0.01098	0.0219
		(3+1)-(1+0)	0.17582	0.5274
		4-3	0	0
		(18+14)-(17+6)	1	9
		Sum		16.384
Lam Ha	Phu ly- Ha Nam	11-4	0.62637	4.3845
		5-2	0.06593	0.1977
		8-4	0.18681	0.7472

		3-1	0.01098	0.0219
		(2+3)-(1+1)	0.17582	0.5274
		4-2	0	0
		(15+19)-(17+4)	1	13
		Sum		18.878
Cam Chau	Hoi an -Quang Nam	12-4	0.62637	5.0109
		6-3	0.06593	0.1977
		8-4	0.18681	0.7472
		2-1	0.01098	0.0109
		(2+3)-(0+0)	0.17582	0.8791
		3-2	0	0
		(19+16)-(18+7)	1	10
		Sum		16.767
Hoa Phong	Hoa Vang - Quang nam	14-6	0.62637	5.0109
		5-2	0.06593	0.1977
		6-4	0.18681	0.3736
		2-0	0.01098	0.0219
		(2+1)-(1+0)	0.17582	0.3516
		2-3	0	0
		(21+15)-(20+6)	1	10
		Sum		15.956
Dong tam	Dong Phu- Binh Phuoc	15-4	0.62637	6.8901
		5-3	0.06593	0.1318
		6-2	0.18681	0.7472
		2-0	0.01098	0.0219
		(1+3)-(0+0)	0.17582	0.7032
		4-3	0	0
		(20+16)-(20+7)	1	9
		Sum		17.494
An Vinh Ngai	Tan An- Long An	15-4	0.62637	6.8901
		5-3	0.06593	0.1318
		6-3	0.18681	0.5604
		2-0	0.01098	0.0219
		(2+3)-(2+1)	0.17582	0.3516
		4-1	0	0
		(18+17)-(17+6)	1	12
		Sum		19.956
Loc Thai	Loc Ninh - Binh Phuoc	13-3	0.62637	6.2637
		5-3	0.06593	0.1318
		5-1	0.18681	0.7472
		2-2	0.01098	0
		(3+0)-(0+1)	0.17582	0.3516
		4-2	0	0
		(19+17)-(17+4)	1	15
		Sum		22.494
Hoa Qui	Hoa Vang- Quang Nam	13-2	0.62637	6.8901
		5-3	0.06593	0.1318
		6-4	0.18681	0.3736
		3-2	0.01098	0.0109
		(3+1)-(0+1)	0.17582	0.5274
		3-2	0	0
		(18+14)-(16+6)	1	10
		Sum		17.934
Trung Luong	Binh Luc- Ha Nam	12-3	0.62637	5.6373
		6-3	0.06593	0.1977
		5-2	0.18681	0.5604
		3-2	0.01098	0.0109
		(2+2)-(1+0)	0.17582	0.5274
		3-2	0	0
		(20+15)-(19+6)	1	10
		Sum		16.934

An Ngai	Long Bien- Vung Tau	11-3	0.62637	5.0109
		5-1	0.06593	0.2637
		7-2	0.18681	0.9340
		3-1	0.01098	0.0219
		(2+2)-(2+0)	0.17582	0.3516
		3-2	0	0
		(20+17)-(16+6)	1	15
		Sum		21.582
Tho Binh	Chiem Hoa- Tuyen Quang	12-3	0.62637	5.6373
		5-2	0.06593	0.1977
		7-2	0.18681	0.9340
		3-1	0.01098	0.0219
		(3+1)-(0+1)	0.17582	0.5274
		4-3	0	0
		(19+15)-(16+7)	1	11
		Sum		18.318
Dang le	An Thi- Hung Yen	14-4	0.62637	6.2637
		5-3	0.06593	0.1318
		6-4	0.18681	0.3736
		2-2	0.01098	0
		(3+1)-(1+0)	0.17582	0.5274
		3-2	0	0
		(18+16)-(15+7)	1	12
		Sum		19.296
An Vy	Khoai Chau- Hung Yen	10-3	0.62637	6.2637
		3-2	0.06593	0.0659
		6-4	0.18681	0.3736
		3-2	0.01098	0.0109
		(2+3)-(1+1)	0.17582	0.5274
		4-3	0	0
		(19+15)-(18+4)	1	12
		Sum		19.242
Hung Thang	Binh Giang- Hai Duong	11-5	0.62637	3.7582
		3-1	0.06593	0.1318
		6-3	0.18681	0.5604
		3-1	0.01098	0.0219
		(3+1)-(0+2)	0.17582	0.3516
		3-1	0	0
		(16+17)-(18+4)	1	11
		Sum		15.824
Cao Son	Cam Giang- Hai Duong	8-3	0.62637	3.1318
		3-2	0.06593	0.0659
		4-2	0.18681	0.3736
		2-2	0.01098	0
		(1+2)-(0+0)	0.17582	0.5274
		3-3	0	0
		(17+17)-(16+6)	1	12
		Sum		16.098
An Tuong	Yen Son- Tuyen Quang	11-3	0.62637	5.0109
		3-2	0.06593	0.0659
		7-4	0.18681	0.5604
		2-0	0.01098	0.0219
		(3+2)-(0+1)	0.17582	0.7032
		4-1	0	0
		(17+18)-(16+4)	1	15
		Sum		21.362
Tien Ngoai	Duy Tien- Ha Nam	11-4	0.62637	4.3845
		3-2	0.06593	0.0659
		5-3	0.18681	0.3736
		2-2	0.01098	0
		(3+2)-(0+1)	0.17582	0.7032

		4-1	0	0
		(18+13)-(17+5)	1	9
		Sum		14.527
An Linh	Tuy An- Phu Yen	10-4	0.62637	3.7582
		5-1	0.06593	0.2637
		3-3	0.18681	0
		2-1	0.01098	0.0109
		(3+0)-(1+0)	0.17582	0.3516
		4-2	0	0
		(20+14)-(17+7)	1	10
		Sum		14.384
Hoa Xuan	Hoa Vang- Da Nang	8-4	0.62637	2.5054
		4-3	0.06593	0.0659
		6-3	0.18681	0.5604
		2-1	0.01098	0.0109
		(3+1)-(0+1)	0.17582	0.5274
		3-2	0	0
		(21+14)-(19+5)	1	11
		Sum		14.67
Tien Thanh	Dong Xoai- Binh Phuoc	5-2	0.62637	1.8791
		4-3	0.06593	0.0659
		7-2	0.18681	0.9340
		2-0	0.01098	0.0219
		(2+3)-(0+1)	0.17582	0.7032
		3-2	0	0
		(18+14)-(17+5)	1	10
		Sum		13.604
Tan Chanh	Can Duoc - Long An	5-3	0.62637	1.2527
		3-3	0.06593	0
		6-2	0.18681	0.7472
		3-0	0.01098	0.0329
		(1+3)-(1+0)	0.17582	0.5274
		3-1	0	0
		(19+13)-(16+7)	1	9
		Sum		11.560
Khanh Binh	Thu Dau mot- Binh Duong	3-3	0.62637	0
		3-3	0.06593	0
		5-3	0.18681	0.3736
		2-1	0.01098	0.0109
		(0+3)-(0+0)	0.17582	0.5274
		2-3	0	0
		(19+15)-(16+4)	1	14
		Sum		14.912
Duc Binh Tay	Song Hinh- Phu Yen	9-2	0.62637	4.3845
		3-2	0.06593	0.0659
		2-1	0.18681	0.1868
		3-1	0.01098	0.0219
		(3+1)-(0+1)	0.17582	0.5274
		4-1	0	0
		(18+14)-(17+6)	1	9
		Sum		14.186
Phuoc Duc	Phuoc Son- Quang Nam	4-2	0.62637	1.2527
		4-1	0.06593	0.1977
		4-1	0.18681	0.5604
		3-0	0.01098	0.0329
		(2+1)-(1+0)	0.17582	0.3516
		3-2	0	0
		(17+14)-(17+6)	1	8
		Sum		10.395
Don Nhan	Lap Thach- Vinh Phuoc	4-2	0.62637	1.2527
		5-2	0.06593	0.1977

		2-2	0.18681	0
		2-0	0.01098	0.0219
		(3+1)-(0+1)	0.17582	0.5274
		4-1	0	0
		(21+15)-(18+6)	1	12
		Sum		13.999