

RESEARCH AND THE POLICY PROCESS - IDRC's Experience in Viet Nam

IDRC's ultimately fruitful decision to venture into the research and policy wastelands that was Viet Nam in the early 90's was a particularly gutsy move. Like many such moves, it started by accident.

In 1991, thus in the very early days of *Doi Moi*, Dr Toan Anh, then Director of Viet Nam's grandly named *Institute of Economics*, in fact a tiny and impoverished component of a larger, equally penurious, Government entity called the *National Centre for the Social Sciences and the Humanities* (NCSSH)¹, somehow heard about IDRC, the Singapore office of which at that time was headed by a remarkable Thai, Dr Jingjai Hanchanlath. Dr Anh had been led to understand that IDRC had funds available for research; he decided to send it, on his own initiative, what in his mind was a research proposal on '*Restructuring the State Economy*', asking for funds to carry out the project. I hate to think about the English of that proposal², and of the extent to which it must have disregarded all accepted budgetary and other rules for such requests. That was a bold gesture indeed on the Director's part, as at that time contacts between Vietnamese scholars (and citizens in general) and Westerners were still very much frowned upon. Moreover, he had never prepared such a request, nor had anyone else in his Institute and quite likely in the whole NCSSH. By some fateful karma, Jingjai reacted positively to the unsolicited contact, traveled to Ha Noi (a demanding undertaking in those days), met with Dr Anh and his colleagues, and after some months they reached an agreement: Jingjai and Dr Anh signed off in the Fall of 1993 on the **VISED** project, IDRC's first intervention in Viet Nam. I had the privilege some time ago of reminiscing about that chain of unlikely events with Dr Anh and Jingjai, and they both laughed heartily at what they described as the touching naivety of that first approach.

The point of my little story is to underline the extent to which the Western view of socio-economic research, of policy development, and of the links between the two, were utterly alien to the Vietnamese polity as it existed then. Viet Nam's research and policy approaches, including the related administrative models, had been imported by North Viet Nam from the USSR *holus bolus* and down to practically the tiniest detail - why re-invent the wheel? Yet, the USSR was a country vastly richer than Viet Nam and endowed with a much stronger and longer tradition of intellectual pursuit;

¹ Now the Viet Nam Academy of Social Sciences.

² The official second language in Viet Nam at that time was Russian and hardly anyone spoke any English

the wholesale grafting of USSR institutional and policy forms on the very different socio-historical fabric of Viet Nam could only be skin-deep at best and was unlikely to become functional. In any event, economic analysis and thinking were conducted along strict Marxist lines as interpreted by and from Moscow. For instance, the then Chairman of Viet Nam's all-powerful State Planning Commission³, who today is the Prime Minister of the country, had studied at the *Plekanov Institute* in Moscow, the USSR's top economic university. The best students of Plekanov were automatically recruited by the GOSPLAN and the Pricing Committee of the USSR, just as the top graduates of France's *Ecole nationale d'administration* today become 'Inspecteur des Finances' and join the eponymous ministry.

The country already had its socio-economic back to the wall when the USSR collapsed, taking the COMECON down along with it. Out of sheer necessity (and certainly not through some road-to-Damascus conversion to capitalism) Viet Nam decided to discard Marxist-Leninist economic doctrine and move in the direction of what her leaders labeled '*market socialism*'. Those leaders were immediately faced with three sets of intractable issues. Firstly, they had no idea whatsoever of the theory, much less the practice, of market economics, and no one within their entourage had any either. Secondly, neither they nor their advisors could tell with confidence what the novel 'market socialism' construct meant; yet it was official doctrine and inevitably became the object of endless and paralyzing theological debates. Thus and thirdly, Viet Nam, along with China, found herself boldly going where no one had gone before. Ministers, high-ranking officials and advisors set out up mapless on an unknown and choppy sea with no clear idea of their ultimate destination and of how to get there; even their boat was of unfamiliar design. The leadership's only compass, if it can be called that, was an iron determination to maintain the absolute supremacy of the Communist Party: this they saw as key to avoiding the economic and political chaos which had quickly engulfed, and ruined, the former USSR. The survival of the Party's exclusive and total grip on political power became an additional test for the scope and pace of reform, leading to more drawn-out, but extremely secret (as everything in Viet Nam), ideological and policy debates.

Such was the unusual context within which Dr Anh's letter to IDRC has to be understood, and within which IDRC had to decide on a course of action. Except that it was in reality much worse than that. It is difficult to exaggerate the extent to which moving from a true planned economy - such as Viet Nam's at that time - to a market-oriented one calls for the overthrow and replacement of

³ That body no longer exists.

everything which obtained in the planned system. We are not looking here at some marginal tinkering but at a root and branch exercise: everything is counterproductive, has to go and then has to be re-invented - the legal system, the financial system, the internal and external accounting system, the judicial system, the corporate system, and so forth. One is therefore faced with an incredibly complex and socio-politically explosive process which must be approached gingerly; it will also take years to unfold as it is impossible to change everything at the same time, thereby prolonging the disrupting upheaval of the system. Issues of priorities, of timing, and of sequencing thus become at once crucial, urgent, and ideologically as well as politically charged. However, the skilled intellectual manpower needed to address those issues, and even to understand them, was simply not there, while its training in barely sufficient quality and quantity would require years of sustained effort. At the same time, the government of Viet Nam, while deliberating on those difficult questions of priorities and sequencing, had on a daily basis to come to grips with a range of market-induced internal and external situations for which it did not have the required analytical and financial capabilities either.

It is difficult to imagine a situation where the need for policies, for policy advice, and for supporting research would be more crying than was the case in those days. It is equally difficult to imagine one objectively less hospitable, as it were, to 'Western' concepts of policy and policy-oriented research. The Government of Viet Nam, for its part, was aware of the difficulty of its situation and of its lack of expertise and of resources; it was also fully receptive to outside advice, if inevitably always suspicious of ulterior motives. Here was therefore an unusually rich but highly treacherous context, precisely when IDRC was looking at what it might do there. Jingjai's and IDRC's decision nonetheless to proceed with Dr Anh was indeed bold and gutsy, without any guarantee of success.

There were two ways of assisting Viet Nam in those early days: one immediate and visible to deal with the urgent problems of the moment, the other more patient and longer-term to address the underlying capability shortages. The first approach called for the emergency dispatching of foreign experts directly to provide the needed policy advice and carry out - quickly - the research required to underpin the advice. USSR-trained Vietnamese researchers and policy makers could 'learn' from watching the foreign experts at work, without themselves becoming much involved in the work. To the extent that the advice of the foreign experts was followed, ODA funds would and did flow. That was the path followed by those few multilateral and bilateral providers of aid who were active in Viet Nam at that time; it was followed as well by the big multilateral institutions when they were finally allowed

to intervene in Viet Nam after the Viet Nam – USA ‘reconciliation’ in 1994⁴. Its benefits were quick advice, generally quite sound, as well as generous assistance; that is certainly not to be sneered at. Its cost was that the policy and research agenda were *per force* determined by outsiders; nor could it provide Vietnamese analysts, confined as they were to a rather passive ‘observer’ role, with much understanding of how to carry out policy-oriented research. When a house is on fire it is hardly the time to worry about the next generation of firemen: one grabs whichever firemen and hoses are at hand, and tries to save the house.

IDRC selected a different approach, more demanding and less immediately rewarding: to train Vietnamese researchers in how to do policy research and how to provide policy advice. That proved in retrospect to have been a wise decision, and I will come back to it in a moment. It might anyway not have been financially and substantively feasible for IDRC to adopt the first approach, which in order to be effective can be described as ‘expat-intensive’ and thus very costly. Be that as it may, the great merit of IDRC, here, is to have identified in the chaotic context described at the beginning of these remarks a radically different alternative approach, fraught with enormous risks, and to have stayed doggedly with it over a 10 year period. That approach remained unique among donors for several years⁵; it was even criticized initially by some as being too ‘soft’ and bereft of tangible results.

It had two inter-related facets. On the substantive front, it provided long-term support to a selected institution, namely the Institute of Economics (such as it was)⁶, which was judged a potentially key player in the economic policy field; that was clearly an additional high stakes gamble, but it did pay off. It called for the Institute analysts (a very small group of people) to decide *themselves* on research priorities to be supported by IDRC, at the light of what *they* perceived as the current policy needs of *their* country, and to carry out *themselves* the consequent research. That insured a high degree of local ownership of the project, but called for special support features, including a lot of patience and of forbearance. Since the Vietnamese researchers were unfamiliar, for reasons explained above, with contemporary ‘Western’ methodologies and even with the concept of policy research, they received (and welcomed) considerable help and guidance from a small cadre of senior Canadian academics who came to Ha Noi regularly. These academics remained essentially the same for the duration of the IDRC projects in Viet Nam and thus developed quite close relationships with their Institute counterparts.

⁴ By that time the VISED project was already in its second year of operation.

⁵ It has since been adopted by many, including the World Bank and the Ford Foundation.

⁶ One must be careful not to think of that Institute in ‘Western’ terms. As mentioned at the beginning, it was a tiny operation, without funds to speak of, lodged in cramped and decrepit quarters.

Their role evolved over the years from that of ‘teachers’, as it were, to that of reviewers and critics of the work carried out by the Vietnamese researchers, using, importantly, rigorous Canadian standards of academic quality.

At the same time, and this is the second facet, the Vietnamese researchers were not simply let loose and allowed a free rein. A small committee of supposedly well-connected senior Vietnamese officials vetted the selection of topics and supervised the research. Identifying those persons in the murky and shifting context of the Vietnamese political system was not easy and some did disappoint; nonetheless the committee provided IDRC with some degree of confidence that the research outcomes would be brought in timely fashion to the attention of the leadership of the country⁷.

The effects of that approach were several. In the first instance, IDRC was called upon to support through VISED a large number of smallish unrelated research projects, giving rise to a worrying first impression of a scattershot, unfocused approach unlikely, in Western eyes, to produce worthwhile results. The approach selected by the Institute of Economics was not really surprising in the context of the times, for a variety of reasons which I will not go into here. The perhaps surprising fact, however, is that most of those apparently disjointed projects turned out upon closer examination to have had an almost traceable policy impact. The researchers and the committee clearly enjoyed a sound insight into the *actual* policy concerns and needs of the leadership of the country, irrespective of the theoretical soundness, to us, of those concerns or of the priority we would have attached to those needs. A second effect was the discovery by the Vietnamese researchers of the power of inter-disciplinary teams and of the usefulness of networks when tackling complex problems or issues. While those may look self-evident to us, they were in fact totally alien to the Vietnamese approach to research. A third effect was the gradually improved analytical competence and self-confidence of Institute researchers, soon reflected in the improved quality of their work.

The last two effects in turn made possible the development of the ‘son’ of VISED, the **VEEM** project, which ran from 1997 to 2002. VEEM was not only a much more focused project concentrating on a few key issues of real policy moment, but also an academically much more demanding one⁸. It generated solid, counterintuitive scholarly outputs which challenged the policy views of the leadership. A final effect was the increased recognition of the Institute of Economics as an important organization

⁷ It must be underlined here that the structure of the political leadership of Viet Nam is unusually convoluted, and that its decision-making processes are unusually opaque.

⁸ It was initially a bit overwhelming for the Institute researchers and had to be scaled down to some extent.

within the Vietnamese ‘research’ system. I will only note here that the person who was selected by the Party to succeed Dr Anh as Director of the Institute, while not an outstanding academic economist, was a particularly well-connected official with superb senior level access⁹. That was a clear sign that the leadership was cognizant of the quality and usefulness of the work of the Institute. It is also relevant to note that Dr Anh later made a crucial contribution, as advisor to Viet Nam’s *Poverty Reduction and Hunger Eradication Programme* program, in securing the acceptance by the relevant Vietnamese ministry of the pioneering community-based poverty monitoring methodology developed by the **MIMAP** project. That latter project is now being turned into a network-based one; that would not have been possible in Viet Nam without VISED and VEEM having shown that networks can and do work. Thus, the success of VISED led to a successful VEEM and a successful MIMAP, and to an overall remarkable and lasting contribution of IDRC to Viet Nam’s economic renewal.

There are general lessons on ‘Research and the Policy Process’ to be drawn from IDRC’s long and rich history in Viet Nam, even though that country’s situation was in many respects unique. As this will be discussed later today, I will not draw them out here.

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⁹ That person later became Chairman of the whole NCSSH and led its transformation into the Vietnamese Academy of Social Sciences.