



# INNOVATIONS FOR SUCCESSFUL SOCIETIES

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Innovations for Successful Societies, Bobst Center for Peace and Justice  
Princeton University, 83 Prospect Avenue, Princeton, New Jersey, 08544, USA  
[www.princeton.edu/successfulsocieties](http://www.princeton.edu/successfulsocieties)

HAUSMAN: This is David Hausman, and I'm here with Jay Wysocki on August 30, 2009 at the Mövenpick Hotel in Hanoi. Mr. Wysocki, have you consented to be recorded for this interview?

WYSOCKI: *I have.*

HAUSMAN: Thanks, let's get started then. I'd like to start by asking you a bit about your background and what areas you've worked on in civil service reform in Vietnam.

WYSOCKI: *By educational training, I am an accountant, and then I have my PhD in organizational psychology. My first visit in Vietnam was in 1995. I came here to do a planning exercise for a very large British project that was run by Oxfam. In '97 I did a larger one under the same strategy and then participated in its implementation in '98. In 2002 I received an email from a person who had been my translator who was working for the Swiss, and he invited me to come and design a project at the National Academy of Public Administration [NAPA] and then serve as the Chief Technical Advisor [CTA] for that project. That project was to improve the quality of public administration training. We did that for a year and a half. I stuck around for a year or so as a freelancer doing some project cycle work, some designs, some evaluation, etc., in and around the area of public administration. I left and returned in November 2007. For all of 2008 I was the UNDP [United Nations Development Program] local governance advisor.*

HAUSMAN: OK, thanks. I wonder if we could talk a little bit now about the issues and challenges facing the civil service before the current raft of reforms.

WYSOCKI: *Before the current raft of reforms?*

HAUSMAN: Yes, say in the mid 1990s.

WYSOCKI: *Well, you might as well just go back to '86. The most important thing that happened to the public administration, the most important thing that happened to the government, essentially, is the hyperinflation of the mid '80s, which destroyed all of the civil service salaries and all of the retirement benefits for civil servants, leaving them practically worthless. This appears to—from what I can gather from interviews—have initiated an enormous amount of rent-seeking amongst the public administration, and probably finalized what was a slow but real degeneration of public trust in the government.*

*Through the '80s and into the '90s, from what I can tell from the people I know, civil service admission was still meritorious: people took examinations, they got reviewed, they got appointed. That appears to have begun to decline in the mid '90s. Certainly by the late '90s, as far as I know, most admissions had to be purchased. Then there is a strange period sometime around 2002 when the government does make a commitment to hiring freezes in an attempt to shrink the size of the public administration, but also allows contract hires. So you see a lot of agencies where a large number of the people are actually contract hires, and those contracts are particularly problematic because they can be purchased.*

*For example, the National Academy of Public Administration, where I was working at the time. Around 2001, there were roughly maybe 2000 people here in the offices. Actually, I shouldn't do numbers; let me just do multipliers. Between, say, 2000—I'll expand the dates so I make sure I get it right—between 2000 and 2007, the size of the National Academy of Public Administration increased*

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*somewhere in the order of five to 10. However, this would have occurred during the time when there was supposed to be a hiring freeze.*

*When you ask people about this, they say these are all contractors. These are all people on one-year contract salaries. Many of them hope to get hired as full-time public administration, but they aren't. At the time I asked how widespread is this practice,, and apparently the practice is very widespread.*

HAUSMAN: Do you mind giving the actual numbers on that as well?

WYSOCKI: *I can't because—I don't know them and it would be wrong for me to give them. But I don't think anybody there would mind telling you. I think they will be OK telling you. Hoa [Pham Thi Quynh Hoa, director, International Cooperation Division, NAPA] used to know those numbers, so she can roughly estimate them, but it's a massive increase in the numbers; it's factors.*

HAUSMAN: Could you talk a little bit about the goals of the civil service reform program that was initiated with the Public Administration Reform five-year plan in the mid '90s, and then 10-year plan starting in 2000?

WYSOCKI: *I don't think they've shifted. As far as I remember, there are four planks to the PAR [Public Administration Reform] reform in the mid '90s. You probably know it better than I do; you probably have the documents. Institutions, performance, staffing, and there's one other.*

HAUSMAN: Organizational structure.

WYSOCKI: *Sounds right. That hasn't changed. I don't think those four have shifted very much. As far as I know, they're still the same four. It is important for you to know that the impetus for public administration reform is the Thai Binh riots, in which a bunch of commune people held commune and district administrators hostage inside their buildings. That inspired both Public Administration Reform and the Grassroots Democracy Decree.*

HAUSMAN: Could you say a little more about those riots and how they inspired PAR?

WYSOCKI: *The riots were pretty straightforward, just a bunch of corrupt government officials were taking land and messing around with land. The Thai Binh people put up with it for a long time, and then they just got fed up with it, and they just got angry and rioted. It's not the only incident; it is the most famous incident. It is clearly the incident that most people quote, and it quite clearly then results in those two changes, PAR and grassroots democracy. PAR as it is written out makes sense. The Grassroots Democracy Decree cannot be faulted on any of its language; it can be faulted on its implementation, but it can't be faulted on its language. The decree is quite nice.*

*I mean, Thai Binh was not the only place that riots occurred. I think there was another small uprising in Hoa Binh, in the lowlands in Hoa Binh in 2005, but it's pretty quiet. Very few of them ever make the press. There was some stuff in the central highlands in 2005, and in the early 2000s there were very few people allowed to work there. Certainly in the late '90s, very few people were allowed to work there; none of the donors were allowed to work there because they had some conflicts regularly. Then there was a recent round in which the government accused the NGOs [nongovernmental organizations] from the US of inciting civil unrest.*

*They're not infrequent; they are infrequently reported, and they just generally revolve around land issues for the most part, the appropriation of land. You've probably seen—you've possibly heard here about the Tcheputra land issues where the government. The government buys land at its current use value. Of course, why would you buy it if you wanted to use it as farmland. So government and government agencies and companies can buy land; they have to value it. The government values it at its current use. They then sell it on to someone else who then turns it into whatever they wish to turn it into.*

*Well, buy at farmland value, resell it as a massive housing complex with a UN school in the middle of it. Prices go up dramatically; the farmers don't share in those price changes. They get pissed off, they start demonstrating. They demonstrate here. You can see them. You can regularly see sit-down demonstrations in front of the—essentially the Prime Minister's Cabinet office in Vietnam.*

*So these things are not infrequent. They generally are not bloody; they are kept out of the press, and they do result in at least legislative regulations being written and ostensible action being planned for. Whether it happens is another issue entirely.*

HAUSMAN: So you describe that as the main motivation for reform, is that right? Do you think there are other motivations as well?

WYSOCKI: *That's a major issue for reform because it reflects on the security of the state. The other issue for reforms are—both reflect on the security of the state. One is that they couldn't get the economy moving fast enough on their own, so local investment was insufficient to push the economy very fast. So they had to open up to FDI [Foreign Direct Investment]. They had to engage in certain political changes, in administrative changes, to deal with incoming investment. Not all incoming investment is going to participate in less than transparent practices.*

*So as the country opened up, it met a whole lot of people who said, "Can't do that, I can't pay you that way, I can't do that." So they had to do that. In 1995, essentially the whole place was state owned. There are companies, they're not equitized, they're not private; they're state-owned enterprises. All land is owned by the government, and certainly all land is owned by the ministries or the government here in Hanoi where people wanted to invest. So they had to do it; they had to do it for reasons of investment.*

*Then the third reason is the shadow of the FDI reason, the shadow of the FDI reason being that they've got to deal with their population bubble. They must grow this economy because 1.3 million kids hit the job market every year and they don't have an economy capable of absorbing them, so they have to grow fast; they're like China in this regard. Unless they grow fast—I mean, the party's promise to the state is economic growth. That's Melanie Beresford's thesis, beginning around 2000, in all her writing. So they've got to grow this economy. To some extent they have to grow—they need public administration reform to grow the economy.*

*There are service issues, but frankly the quality of their services is so low, and it is so generally borne and accepted by the public, that it is unclear when the public is ever going to get angry at health services, education services that are not worthwhile going to require that you pay the teachers outside, a civil*

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*infrastructure that can't move the rainwater out of the city. I mean every time you see it, there's a complaint in the newspaper, but I don't know, who are you going to call? How are you going to—the people don't like it, they complain about it, they put it in the newspaper, but fundamentally it's one big state, so how do you break it down? You can't fire them. You can complain about them, and then they just get transferred.*

HAUSMAN: In lots of countries, civil service reform efforts are seen as necessary to get donor funding and don't have strong backing from politicians. Is that the case here?

WYSOCKI: *The PAR, other than the fact that the Thai Binh's initiatives kicked it into gear, all of the PAR projects here are donor-funded. I'm sure there are internal initiatives. Being on the donor side, I tend not to know them, and I do know that the donor side of it is a large amount of money being paid to government officials to allegedly increase their capacity, allegedly to get them to understand what they need to do, to send them to workshops all over the world, to hold workshops here and just continue, that dance around the chairs. I can't tell you it's a waste of time, but I can tell you that I don't see the product. The question then, of course, becomes—. The old PAR advisor used to say this to us all. He used to say, Mel used to say, "How long did it take England under [Margaret] Thatcher? Why should we think you should go faster here?"*

*Now there are a lot of reasons I think it should go faster here, could go faster here, but it's not very fast here. It is grinding inexorably on, but you just wouldn't—you could probably lay in front of it without too much fear of getting hurt.*

HAUSMAN: My next questions are about specific kinds of reforms in which you've played a role. I'd like to talk about each project separately so listeners can understand the story behind each, but you might want to make some links between them. Let me start by asking you a little bit about professionalization and merit in the civil service.

WYSOCKI: *OK, do you want me to tie these directly to the project, or do you want me to talk about general professionalization and merit?*

HAUSMAN: I'd be interested both in your involvement and the things you've learned from your experiences, so I guess both. Could you describe the procedures and standards used in the system of recruitment in the civil service now, and is this different—?

WYSOCKI: *I could not. There is a civil service examination. If there's not much hiring, if there is a hiring freeze, then we don't know how much that accounts for. Here's what I can say about performance. It is generally everywhere regarded as low if it is measured against the metrics that are set for the agency. But you have to recognize that it is not at all clear that that is performance. The important and relevant institutions for the government of Vietnam are patronage, which is a relic of the mid and late '80s; hyperinflation, because rent-seeking spawns patronage. Patronage is the normal public administrative strategy out of a patriarchal society—why would we be surprised at that?*

*The other piece to that would be that patronage is enforced by the split between the investment budget and the recurrent budget. So the investment budget is much larger, now it is—sorry, on a total number it's not larger, but investment budget is discretionary income, so discretionary money, and it is allowed to be*

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*administered by the person who takes it; they're the owner of the investment budget. Now, in that structure where you've got the investment money coming on one side and everyone's salaries being paid somewhere else—let's just do the scene I knew.*

*The scene I knew was the National Academy of Public Administration. Everybody had an office, everyone had a computer, everyone had a desk, people got paid. They were responsible for a certain amount of contact hours with students every year. They could meet that roughly in two weeks of solid working every semester and they pretty much did, leaving them most of the rest of the semester to go out and sell their services as trainers throughout Vietnam in other agencies, in provincial training schools, whatever. They had met their obligatory requirements to earn the money under the recurrent budget.*

*Now the real money to be made in the national academy was either contracting your services or aligning yourself with somebody's project, because the project budget is a different budget. So when I was there, the director at the time built a new campus down in the south. The legal structure in Vietnam means that the Director of the National Academy was the project owner and director of that project, which means he's responsible for putting up all those buildings. He then subcontracts to people to build the buildings, but he's responsible. He is allowed a management fee; that's legal. Everybody who he contracts to is allowed a management fee. He can subcontract to his person, his vice-chair in the south.*

*So if he wants to put up a—if he wants to build a campus in the south, he gets his 5%, the director of the southern campus gets his 5-7%. He is going to kick back some of his 5-7% to the guy who gives him that portion. He is then going to subcontract again. Eventually it has to go to somebody who builds the building. There will be subcontracts to the guy who builds the building. There will be subcontracts to the guy who does the finish work. There will be subcontracts to the guy who does the furniture. There will be subcontracts to the guy who supplies the air conditioners. There will be all of these subcontracts and everyone is allowed in the government investment structure to take a management fee in that. That's absolutely legitimate, it's legal. So the only question is how many times can you do it before you finally have to build the thing, buy the thing, etc.*

*If you can get a really good subcontract, you can subcontract a bunch of times before the guy looks at you and says, "The air conditioner costs more than that; I can't deliver." Then you stop, you just stop—you can't go that far, you can't subcontract that far. That process of subcontracting builds patronage systems, and everyone has one. That's the real performance in government. That's the real, capital R-E-A-L, that's what really—the work has to get done, but inside government the real elegance to being a good civil servant is managing that investment budget while getting that thing done—that's the elegance; then you're good, you're really good. That makes you good, and that's what performance is inside government, maximizing the patronage system while still getting the work done.*

*Does it have to get done well? Well, they wouldn't know what well is, would they? Buildings yes, but frankly no. They're falling down in various places, and they're usually poorly constructed anyway. But take training. Do they know what good training is? No, they don't know. Do they know the stuff that is in the PAR reform? What is the organizational structure they ought to have? They have no clue. What is the institutions they need? Well, the institution they need is to get*



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*rid of patronage; they're not going to get rid of patronage, they need it. That's where they make most of their money, because their salaries don't cover their living expenses.*

*So when the donors or any outsider asks questions against the quality criteria, you have to spend some portion of your time educating them on what the quality criteria is inside this system, because they wouldn't know this. They think quality criteria is what the agency said it's doing. Oh no, no, no. When the people in NPI [New Partners Initiative] and the assistant vice-minister meet their performance criteria—and they have them, they absolutely do have them—they get posted. Then it is posted what they get. It is not posted what the performance criteria were. Name—did you meet it? What did you get? Well, what was the criteria? We're not going to tell you that, that's up to the boss.*

HAUSMAN: Let me continue in this line. Can you say a little bit about what kinds of criteria are used in promotions, and how things like seniority, education, or performance evaluations would be weighted, and things like that in promotion?

WYSOCKI: *Oh well, clearly, satisfying your patronage system vertically and horizontally, up and down, but then making sure that people around you horizontally aren't upset about it, is a performance criteria. It is unstated, you'll never find it, but it is obviously real. That one's clear. Getting the work done is the necessary but insufficient piece, then doing it well is doing it with that network. Is it meritorious? Well that's a tough one. Generally, my answer is yes. Generally, my answer is you tend to see people moving up who are better than the people who don't move up. Generally. Now the problem is we can't say that with any kind of quantitative certainty, and that's the way they want it, because if you quantified it you wouldn't be able to run a patronage system.*

*Do people tend to follow others up? Yes, they do. It is very clear that rising stars pull shooting stars with them. Systems move up and down through this, groups of people. People who know people move up. So is it meritorious? Yes, on that criteria it is meritorious, just as long as you understand that the criteria is much broader than getting your work done.*

*Now one of the things we tried to do at the National Academy in the course of this, the work there, was to get people to talk about competencies. It was one of the most enlightening workshops I ever ran, in which I brought this guy out from the UK [United Kingdom], and he talked about competencies, and somebody in the room halfway through raised their hand and said, "Do you mean that you actually know what skills you need at each level? Are you saying that?" He said, "Yes, of course—what do you do here?" Of course there was no answer to that question, because they realized that they don't, and that other countries actually have grades in which the skills to be had and the demands to be fulfilled are stated. This was shocking to the National Academy of Public Administration.*

*So what is stated? What is stated are the degrees. There are three levels in government: expert, principal expert, senior expert, and then there are three degrees: bachelor's, master's, and PhD. There are certain ages you have to get them at to move forward, and you cannot move—you can't be, for example, a senior expert without a PhD. You can't be at the highest level of government without a doctorate. Does that mean that those are paper doctorates? That's absolutely what it means. But you've got to get them, and you've got to do it.*

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*There are also training programs—far more important than the PhD; you have to go through your various civil servant training to get promoted. How many would you do? Well, you have a training for each of those levels. You have a training for expert, principal expert, senior expert. It roughly is another round of Marxist-Leninism, plus things like—I mean, you can get Hoa to give you the list of principal expert courses; she can do that pretty easily. But you'll see, Socialist Principles and the State, Socialist Solutions for Dealing with Conflict, Growing the Economy in the Socialist Model, and regularly you just repeat that sort of Marxist-Leninist stuff, and everything has that character.*

*Then there will be things like IT and so forth you have to know. You have to be able to run a computer and things like that. And you've got to pass them, you've got to have them, they're criteria. Are they useful? Well some of it is, some of it isn't. The Marxist-Leninism is, for most of these guys, it will be the fourth to sixth time they've heard the same thing over and over again. It's not so much what's in it as it is what is not in it that is the big problem for them. They won't get a decent—they won't get a good round of MBA [Master's in Business Administration] stuff. They won't learn how to—actually, they might learn how to write a good memo. They might get that. They might get stuff on report writing and how to budget and so forth; they might get that. It's pretty cursory, and they're quite thirsty for your basic MBA, MPA [Masters in Public Administration] curriculum. So you tend to see people, if they can afford it or if they have the opportunity, they'll try to get their MPAs and their MBAs from something other than the state schools. If they're really serious they'll try.*

HAUSMAN: Let me go on and ask you a bit about your experience with various capacity building programs at the National Academy of Public Administration.

WYSOCKI: *When I arrived there was a program already there. I mention this because, essentially, when I arrived I looked at what they were going to do, and it was the same thing that we were going to do, and I thought, why are we duplicating. Then I realized, of course, that the Vietnamese love duplication. That way you do it two or three times, it increases the likelihood of making it a success. However, I don't like duplication, so I said to my colleague, let's not do what they're doing. What are they doing and how are they doing it? So we took a real good look at the Danish program, and we decided not to copy that.*

HAUSMAN: Can you describe what that program was?

WYSOCKI: *It was just the Danish program for civil servant training. They were going to design 15 courses, and they did indeed design 15 courses, and they were going to train a bunch of trainers to train those courses, and they did indeed do that. About half of the people they trained to train those courses were senior members of staff, which looks like a great idea until you realize you've just trained somebody two years before retirement. That's not very smart, but they did that. They thought they had to do that in order to get goodwill.*

*I don't know how many of those courses ended up in the curriculum. When they did the needs assessment, they mostly got a needs assessment that said we need to be like the west. Well, my guess is that like most of the courses brought to the National Academy from outside, a select group of trainers got in the room, took the notes, took the material, and then sold it, because the National Academy of Public Administration functions very much as a consulting entity. There are a lot of people in there, and what you want to do is get something that the rest of*



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*the people don't have. So you align yourself if you can with a program, and you get that curriculum, and then you sell it.*

*I'll give you a very good example. In 2002, after I had designed the program, I was sticking around here to work for the Swiss, and the Swiss said, "We want to do project management training in Vietnam, but we just don't seem to be able to get the National Economics University to get their head around doing better project management training." I said, "What have they done?" They said, "They sent us a proposal." So I read the proposal and it said, "We don't have any capacity, we don't know how to do this. We really look forward to working with the Swiss to build our capacity and to give us the stuff we need to train project management skills in Vietnam."*

*I said, "Guys, this is probably not true." They said, "What do you mean?" I said, "It's probably not true. They probably receive dozens and dozens of courses on project management training." They said, the Swiss said, "Would you sit in the meeting?" I said I'd be happy to sit in the meeting. So the meeting happened. Four people came over from the National Economics University. They talked about how they needed skill building and capacity building and how they didn't know how to do it, and so forth and so on. I had all the cards in front of me, and one of them was a marketing person, so I looked at the marketing person and I said, "Now gentlemen, it's my recollection that a lot of you would have gotten your degree through a year's study at the University of Boise, and then you would have gotten a year's study here." "Yes, yes, that's right."*

*I said, "So you're the marketing person?" "I'm the marketing person." Did you go through Boise? I think she did not, but she understood what I was saying. "You've gotten a decent degree somewhere at a Master's level and now you're teaching in a Master's program." "Yes." So I said, "Marketing? Marketing?" "Yes, my degree is in marketing." I said, "So let me take a marketing perspective on this meeting." I was just being tough. I said, "This is an agency that wants you to do training, and you're telling it you do not know how to do training. Does that sound like a good marketing strategy to you?" Quiet. I said, "I think they'd like another proposal from you." Next, 10 days later, one week later, the proposal came back with lists of project management trainings they've done all over Hanoi, all over Vietnam.*

HAUSMAN: Right.

WYSOCKI: *In 1995 ADB [Asian Development Bank] paid a million dollars to do project management training in the National Academy of Public Administration. When I arrived I said, "Do you do project management training at the National Academy?" "No, no we don't do that." I said, "Can you find any of this?" "Oh, I didn't even know this project existed." I said, "You were here?" "I was here in '95." I said, "Aha, OK, cool. So these guys stuck a million dollars into you to do project management training, and you don't have any recollection of the courses." "No, no, no." "OK, so we should—oh, we should do more project management training." "Great. I heard that." So I actually designed a component of my project to do that.*

*Some time into the project, the Comprehensive Capacity Building Program, which was a trust fund set up by the World Bank to do project management training throughout the government bureaucracy so that they would be better project managers, decided that it wanted to find service providers, and Graham Alliband who is a former ambassador and fluent Vietnamese speaker had that*

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*contract. So he ran all over Vietnam interviewing people on how much project management capacity they had. He sent me the document. A page of project management trainings done by the National Academy. He said these guys really do a lot of project management training. I said, "Yes, if you ask them and you say you're going to—if you say we'll pay you to do it, they say yes. If you say, do you have the capacity, they say no."*

*He said, "What do you mean?" I said they told me in 2002 that they didn't know how to do it. "So what you really need to see, Graham, is the names of those people that have the abilities. Those guys would not—and I know those guys—they would not tell me they had it in 2002; they wanted another round, another piece, another little bit they could sell."*

*Now this is the strategy of every training project the World Bank has ever funded in a [expletive] country. You train the teachers to do the better training, and then they turn around and sell it on the side. It is classic. I mean it is classic, everywhere you go for capacity building. You train the teachers because you believe that they believe in the state and the public good, and then it turns around: well, they don't believe in the public good. They may believe in the state, but what they really believe in is selling the capacity you just built on the side. Why not?*

*So if you're going to work in a place like NAPA, what you need to know is that you're going to create consultants; that's what you're going to create. So the best you can do is make sure that they are consultants to the state. That's what we did anyway. Back to what we really did. I'm just telling you the pieces of what not to do, but you asked about capacity building, so I'm giving you the sort of litany of failed capacity building all over Hanoi.*

*So what we did is, we found a group of people, we found a client base that was very large and didn't have any money and that we knew needed training because the ADB loan program was going to pay for it anyway. So the new ADB loan program had come online, and they were going to do training throughout public administration. I talked to them, and I knew that they were going to hit a wall. So I talked to my colleague. I said "Hoa, this is an opportunity for us. They want to do public training throughout the system, and yet they don't know—you know they're going to hit a wall because they're all messed up." She said, "I know they're going to hit a wall. So why don't we get ahead of them." She said, "What are you thinking?"*

*I said, "Well, look, what don't you have in the National Academy?" She said, "We don't have a lot—what are you thinking about?" I said, "You don't have any ability to do empirical research." She said, "Jay." I said, "Do you?" "No we don't actually. Our empirical research is very poor if it even exists." I said, "OK, cool. So let's get a group of young people which we've now identified, to work with some people in an empirical way." So what we did is, we got a group of young people to get on buses and go out into the countryside and do interviews with commune chairmen. So I was doing two things. I was giving them the experience of gathering data. Then they were going to take this data all the way through the design.*

*So the needs assessments were done in the communes with people. "OK, we'll just ask them what do you need for training." I said, "No, no, you're not going to do that. You're going to ask them what they do. Then you're going to ask them how hard is it for them to do it. From those two questions you will get the need."*

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*They said, "Oh that's interesting." So I said, "Here's how you're going to do it." So I taught them a very simple data aggregation technique of getting everyone to write down what they do. Then you put it up on the wall, and you organize it until you get categories. Then you send it to the people in the workshops. It's a focus group technique. You say to the guys in the workshop, "Give it a name." So they give it a name.*

*We did that. We did 600 commune chairmen in 20-some-odd districts. It was very nice because we used the status differential. The kids were coming from Hanoi, so all of the commune chairmen would be impressed by the fact that these were people from Hanoi. But they were all kids; they were all younger. So they had to say anh or ông or bà or cu to the guys in the room. They had to give them respect. They had to ask them questions; they couldn't tell them anything because the guys in the audience were older. So they had the respect to stand up and ask the question because they would be given that by virtue of coming from Hanoi, but they could not tell an older person what they did, so they had to take the data. The solution for this anxiety was, well, ask the question, and we taught them how to ask the question politely and nicely. So that's how we collected the data.*

*We collected two forms of data. We'd get them to tell us what they did, and then we'd get them to rank how hard it is, and then we brought it back to Hanoi and we did some very simple spreadsheet sorts—and bingo, out came the hardest things to do. There's your needs assessment. "Oh God, that's great." "Don't you think we should"—"No, no, you're not going to do anything outside of what they told you to do. You don't know what they do. No one in Vietnam knows how to be a commune chairman except the commune chairman." "Yes, that's right." "Then shut up and just accept what they did, because you're not a source of expertise on this other than them." "OK, you're right."*

*All you need to know is what is the hardest thing of what they do, and they told you. So that's what you do for training. Now how do we design the training? You build on these questions. They're telling you that they don't know how to do—when the district gives them a block grant they don't know how to budget for it. Well go off and get all the regulations on block grants and get all the stuff you can on block grants and hire somebody from the Ministry of Finance to write a little training protocol on how to do this. And that's what we did. That's the nine—I think there are nine modules of the commune chairmen training program. For 11,000 commune vice-chairmen and chairmen. That's 22,000 people that we knew needed to be trained, and we had seven people who did this. Now they're not even ever in the office. They're running all over Vietnam doing these commune chairmen trainings, and I knew that would happen, so that's fine.*

*The only thing we did do—we did get it accepted as government standard. The way we did that is, we knew that the ADB would run into trouble; we knew that that project would run into trouble, and as soon as it did, we could hand them the answer and get the director off the hook. So we had it all ready to go, and sure enough, when that project ran into trouble and the director got angry and everybody got anxious, Hoa just very quietly stood up and said, "Excuse me, actually I think I have a solution for you," and laid it all out. They went, "Oh, oh, we can't take that." Then the director said, "Why can't we take that?" "Well, because it's already done, we have to do it again."*

*They had to sop off a few subcontracts to do it again, because there was money in the budget and it had to get spent and people had to get their kickbacks, but*

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*eventually it came down to: no one could do it better than we'd done it, because we did it for six months and we did it well.*

HAUSMAN: So what were the nine training modules?

WYSOCKI: *Oh, ask Hoa when you see her. They are the sort of standard management things: budgeting, reporting, management of staff, planning. Those are the four, and then there is [what is] absolutely unique to Vietnam: dealing with conflicts, dealing with social conflicts, security and—the weirdest one was security and ethnic training or something like that. Communes actually have to do rifle training. There is a land issue one. There are a couple of others that are just quite unique. So there are about four that were standard to just general management, being a good manager. Commune's got 2,000 families in it; it's a management role. But then there's this other stuff that is very much about the fact that the commune chairman is an elected official who has lots of power and has no power at the same time, and is in a social control system where he is trying to make 2,000 families who bitch and moan and bicker with each other happy. It's a unique role. Only socialist countries have it. Mayors may have it somewhere but not really—it's like daddy, he's daddy, he's the father of the commune. So it's a very unique role. There are four modules that are very much managerial and about five modules or so that are very unique to Vietnam.*

*Those worked, and those are standard government issue. I do not know about the other trainings they did. They also designed another—there's nine; I think they designed six other courses for experts and senior experts, and I don't know where those went. You'd have to ask Hoa about that; she'll know where they went.*

HAUSMAN: How did the trainings work in terms of the sort of structure, were they on-the-job, in classrooms? How long were the programs?

WYSOCKI: *This is a bit of a disappointment. They said they wanted competency-based training, so hence I asked people, "What do you do? That makes sense. What do you do?" We asked for competencies on how do you know you do it well. That didn't work. They have no idea how to tell you they did it well, so we kind of bailed out on that. But we did manage to keep training somewhat behavioral-focused, and the trainings were designed to be small groups in which the trainer and the curriculum were used as a structure to get other commune chairmen to tell other commune chairmen how they solved that problem. However, it didn't work that way. It's not being delivered that way. It's being delivered in larger group format with exercises. Why? Because commune chairmen get a training budget, and district and provincial training centers get budgets essentially for them. They have budgets for them, they hold the budgets for them.*

*In order to run this training you have to aggregate enough people to get a big enough budget. That turns out to be about 100. So even though we designed a small group training to be based on competencies and personal advice, it turns out that it is being delivered in a large format with breakout groups in large numbers, because that's the only way the finances would work for them. This is very disappointing to me. I feel that I actually failed this, failed them in some sense because I didn't ask that question. They kept saying, we want competency-based training, we want competency-based training. I should have said, "Will you deliver this as competency-based training?"*

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*If I had asked that question in that way, they would have said, "Probably not, Jay." I would have said, "Why are we designing something that you won't deliver?" The answer is, "Because we want to learn how to do it, Jay."*

HAUSMAN: How long did the trainings last?

WYSOCKI: *Our trainings were designed to be two days each, and I think they have been cut down to about a week in total.*

HAUSMAN: Were they entirely paid for by the ADB?

WYSOCKI: *No, the trainings were—we used the fact that the ADB loan program was supposed to design these and wasn't going to be able to, as a channel to increase the likelihood of adoption. The ADB loan program is supposed to fund government training through government systems—so who knows how that works, I have no idea. But the actual money for the purchase of training for a commune chairman would be held by the provincial training school. They're the ones who pay for it, which is why the budget is so much different than NAPA would have designed for. We essentially designed something that was unsustainable because I didn't ask the right question: how will this be delivered.*

HAUSMAN: Here is a slightly more general question about the civil service training. It is often a problem that people who are trained leave the civil service to use their new skills in better paid positions. Has that been a problem in your experience here?

WYSOCKI: *Not training. It's not training that causes them to leave; it is being sufficiently high in the patronage system with contacts that [causes them to] leave. So what we saw is a big exodus, we saw a huge exodus—Jairo [Acuna] might have talked to you about this. We saw a huge exodus in 2007 just before the economy here got kicked by inflation. So in '06, when the WTO [World Trade Organization] boom had taken off, we saw a big exit from people leaving to start companies because they had government contacts. That happened all over. But it wasn't because they were trained. It wasn't because they were particularly capable. They might have been perfectly capable, who knows. That's not why they were leaving. They were leaving because they had the ability to negotiate contracts.*

HAUSMAN: Apart from the larger versus the smaller groups, are there other things that you would have done differently if you had another chance to do this?

WYSOCKI: *No, I actually am quite pleased with that course. That course is probably one of the highlights of my capacity-building career. I'm really pleased with what we did. We did it the way we should have done it, and I'm quite pleased with that. What I would have done in retrospect, is spent more time on the expert versus principal expert training and try to crack that one, crack that nut. That might have resulted in a second contract out of the Swiss to do more interesting things on that issue. The issue for the government's administration with respect to these three levels is, they're all treated the same.*

*If you get a 20-year service librarian who has a PhD in library science out of somewhere in Russia, she's a principal expert just as the vice-minister for construction of roads in Hanoi is a principal expert; they're equal in the training systems. They both have to go through the same training. That makes no sense. Now there's ministerially-funded training that would be different, of course, but from the state's view they're equal. So you would look at these classes of principal experts, and this person would be a manager of 150 people, and this*



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*person would be a single person in some laboratory somewhere doing water quality testing in Vietnam. You think, they're in the same course, what are they learning? They're learning Marxist-Leninism for the tenth time. They're learning some IT skills. They're getting a general review of global economics. It's just bizarre.*

*You could do—we did the same kind of what-do-you-do workshop. Sure enough, you look at these guys and you'd see this mess of stuff. If you could pull them apart, then they would start to clarify. These guys are managers. They report the same sort of managerial issues that all managers report, classic planning, budgeting, accounting reporting, just classic stuff. Then you go over here and you get—what do you do every day? I prepare slides and I read biology texts and you think, OK, this is not working. That would have been a really cool nut to crack, and it is really tough to crack because it is supported by the Party. They know they've got to deal with it, they just don't know how.*

*So they're talking about slicing the levels. You'd get four major ones with sublevels. But you know it's tough for them to say the competencies for a vice minister in construction are not the same as the competencies for a librarian in the national archives. They're not. They know it, but how to turn it into training is real tough for that. That would have been a cool one to crack. I kind of wanted to do it, but the project ended. The Swiss didn't want to give any more money. No one else wanted to give any more money. Everybody is getting out of projects into programs, and they just walked away, even though NAPA said, "We really want to do this." The Swiss said, "Oh well, if you want to do it, go to the free market." It was just bizarre. That's another issue.*

HAUSMAN: Can you describe that project from the beginning, and how you got involved with it and what you did?

WYSOCKI: *Sure. I got a call from the Swiss. I got an email from a friend who said, "I was your translator when you designed all those DFID [Department for International Development] projects, would you like to come to Vietnam, design this program and then sit as the CTA [Chief Technical Advisor]." I said, "Yes, absolutely." So I flew here in March 2002. I said, "What's the old project?" She said, "Here's the document for the old project." I read it, I said, "OK, cool, this is pretty straightforward. When do we meet the National Academy?" She said, "Going to meet them today or tomorrow."*

*Off I went to the National Academy. I had a Swiss guy with me. I said, "What's your role on this team?" He said, "I'm the management expert, you're the project designer." I said, "OK, that's fine." So we met them and they said, "Yes, we want phase two. I said, "OK. Here's what we want in phase two." I said, "Uh-huh. That's not matching with what I'm hearing back in the Swiss office." So I went back to the Swiss office and I said, "Look, these guys think this is phase two and they want this stuff." The Swiss said, "They can't have that because we're not really satisfied with phase one."*

*I said, "On what criteria are you not satisfied?" "Well, we have no evidence of impact. I said, "OK, and how would you have gained that?" "We would have data against the M&E system." I said, "OK, I could see the M&E system, but I understand why you wouldn't get any data against this." I went back to the NAPA, they said, "The Swiss aren't happy? They never told us this." "They want to close phase one and start phase two. They want a separate project."*

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HAUSMAN: This is the second part of our interview with Jay Wysocki, and we were just talking about the Swiss-funded capacity building program at the National Academy of Public Administration.

WYSOCKI: *Right. So I went to the Swiss and I said, "Look, you guys never closed the project, so you can't open a new one." They said, "What do you mean?" I said, "They don't think the first one is done, so you just screwed up, you're just not doing good project management. You didn't close it. You didn't tell them." They said, "Well, give us a second one." I said, "OK, I could do that. You want to come and tell them that the first one was not satisfactory and you want a second one?" "No, we don't want to tell them that." "OK, fine."*

*So I went back and I said, "Look, the Swiss aren't going to come and tell you this, but here's the deal. The first one didn't work because you didn't give them good data, which is why they want to put a CTA in this second one. Are you comfortable with that?" "We're happy with that, we don't care if we have a CTA or not." I said, "OK, that's great. Do you know what you want?" "Yes, we want lots of study tours." I said "OK, but what for?" "Well, for capacity building." I said, "OK, what's the capacities you want to build?" "Modern training." "What kinds of training?" "We don't know yet, anything we can get." "OK, cool."*

*"How many people do you train?" "We don't know." "What do you mean, you don't know? Who do you train?" "We train three people: principals, senior and—experts, principal and senior experts." "Got it, great." "How many are there?" "Oh, there are thousands." "How many thousands?" "We don't know." "How many do you train?" "We don't know that." "Why don't you know?" "Because we do some of the training here, and our staff go around the provinces and they do some of the training there."*

*"Great. Who runs the provincial schools?" "We do not. The Ho Chi Minh Political School runs the provincial schools." "Why is that?" "Because the provincial training schools are aligned with the Party in the provinces." I said, "That makes sense. If I were the central government I would want that too, but you're the administrator training entity." "That's right." "But your curriculum also includes Party ideology." "Yes, it does." "Well, you guys, have some role problems here. But can you get me the numbers?" "We can get you the numbers." I got the numbers. Three very different estimates. They didn't match at all.*

*I said, "Where did this one come from?" "This one came from the training management people." "Cool. Where did this one come from?" "This one came from, I don't know, the research group." "OK, that's great. Where did this one come from?" "This one came from the director's office." I said, "Great. Got three different numbers, you don't know what you're doing." I said to the Swiss, "They don't know what they're doing." They said, "Get us a project, Jay." I said OK.*

*So I said, "OK, we're going to do competitive study tours." "What do you mean?" "Well, let's just do a bunch of study tours, and to get one you have to submit a proposal and you have to tell us where you're going, and you have to set up objectives for being there." "Oh, we can't do that." "Why can't you do that?" "It doesn't work that way in Vietnam." I said, "Well, you're going to have to do something like that, because other than that I don't know what to do for you because you won't tell me what you want trained. You won't tell me what the curriculum is. All you keep saying is modern, and I don't know what you want."*

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*They said, "OK, we'll do that then." So anyway, that's how we wrote the project. It was just \$200,000 of competitive study tours. It was never going to fly. But I figured I'd come and I'd redesign it, because usually that's what you do. You write it, and then you come and you live here for a month and you write an inception report and you redesign the project. The Swiss were OK with that. They knew that I would have to do that anyway, and the Swiss advisor with me said, "They have no idea what to do for a management; just write anything, Jay." I said, "OK, cool, we'll write anything."*

*So the Swiss pushed it through their system, and I went home, packed up all my stuff, got organized and finally got a letter that said come back to Vietnam. I came back to Vietnam and I met my colleague, and she said, "Guess what, we've been to Canada." I said, "Great, what have you been to Canada—how many people went?" I think she said, "We took 30 for two months, 60 person-days." It was either 20 for three months or 30 for two—I remember 60 person-days. It was one or the other.*

*I said, "What did you do?" "Oh, we went to the National Academy in Quebec, in Montreal." I said, "Who are they?" Well, it turns out that there is a Jesuit school in Montreal that is aligned with the government and they do this public administration training. I said, "How did you know to go there?" "I have a long relationship with them." "OK, that's fine, that's cool. What did you learn?" "Oh, we learned a lot." "What did you learn?" "We learned a lot." I said, "Great."*

*So I said to Hoa, I said, "Look, this is better than we could have done. Do you understand that this project, what you did—how much did you spend?" "A quarter of a million dollars." "This is better than we could do. You just did our project." "Oh no, Jay, we can't do that, we have to do a project." I said, "They're not going to take the money away, don't worry. But there's no point in repeating this thing when you just did it." "Oh, but then what will we do?" "Well, why don't we figure out what you got out of that before we do something new. Then we'll build on it." "Oh, that makes sense." "OK, great."*

*"So what did you get out of it?" "Nothing." "What do you mean, nothing?" "Well, I don't know what we got out of it." "OK, let's ask." "OK, we can ask. We've got to do a workshop." I said, "OK. Where are we going to take them?" "Oh, let's take them out of the city." So we get two-thirds of the people who went. We put them on a bus, we take them to Halong Bay. Put them in a hotel, stick them in a room. I hire a Vietnamese facilitator who is really, really good so that I don't slow them down with language. I realize that they sent a whole bunch of people to Quebec that didn't speak French or English, and that they had to have everything translated there, which strikes me as incredibly inefficient, but that's what they did.*

*So my Vietnamese translator—my Vietnamese facilitator who is brilliant, I mean she's great. She's been trained for five years working with NGOs, seven years, '95 to 2002. She runs the workshop, and she does everything she can to get them to tell her what they got out of it—and eventually it comes down to nothing, it won't work in Vietnam. She cries. I remember her standing on the path in Halong Bay on the day trip crying. I said, "[...], it's bad." She said, "I don't know what is going to happen to my country when these are the people who are leading it. I just don't know what is going to happen."*

*I said, "What's going to happen is, you're going to keep grinding away at this and eventually people are going to wake up. Your generation will take over. She said,*

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*"Jay, I don't know if we can wait that long." I said, "Well, dry your tears, buck up, let's go. So I cornered—I remember sitting down with the director of my project and saying, "What did you get out of your time in Quebec?" I said, "Give me the one single most important memory." She said, "That I can do." I said, "What is it?" She said, "I remember being in the library and looking through the texts in public finance. All of the chapter headings were the same, but the books in English and French had facts."*

*I said, "Really?" She said, "Yes. They had facts, they had data, they had numbers. That's the most important thing I learned." That's when I began—it was right after that that I began my crusade—because it was a crusade—to get everyone to realize that there is no empirical social science in Vietnam. I mean, I went and checked. I said, "What do you guys do for social science?" "What do you mean?" "Well what do you do?" I just checked. Sociology? Nah. Descriptive statistics at best. Psychology? I'm a psychologist—waste of time. They're still doing—there are people here still practicing skull shapes, I'm serious, looking at phrenology. I'm serious.*

*The anthropologists are probably doing OK, because there's a lot of them and they have a legacy from the French, so they're probably OK. The economics is socialist-input economics, it's not empirical economics. You look at the empirical work that is done here, it's just not good. Even the Harvard Fulbright program, you just look at the work that comes out of Ho Chi Minh City, and it's just not good, there's just no good economics. It's so bad that in 2007 somebody did a review of publication rates, and they discovered that Vietnam has the highest proportion of PhDs in Southeast Asia and the lowest publication rate of any country in Southeast Asia. And the majority of publications are in biology and natural sciences; there's just no—. Marx told them they didn't need one. Scientific socialism is economics, and they believe it. They have no empirical social science.*

*Over and over again, whenever you see an issue here like public administration reform—. Let me keep with this one, and we'll go to the next question. If you take a look at PAR, they're going to design it top-down, and everybody in the government is going to implement it top-down because the Party wants it and they'll never collect data.*

*Now Adam Ford says I'm wrong. He said, "They do have facts, Jay. You just don't have access to them." I will trust that he's right. But I don't—I know for a fact that the National Academy of Public Administration faculty cannot improve the teaching of the kids in the classroom, because they don't have any data on which to improve the teaching. You can't sit down with a student and say, "Tell me the difference between this dataset and that dataset and why I should reach different conclusions." Because there isn't one. All over Vietnam it's like that. They don't have any empirical facts about their life, that life, right there, the one that is out there in the streets. There's no data.*

HAUSMAN: Let me take you back to the training program that you were planning to design based on the experiences of this trip in Quebec. What did you do next?

WYSOCKI: *Well, we took a very hard look at what they got out of it, and the answer was not much. I said, "We're not doing that, Hoa. We're just not going to do a bunch of study tours again." She said, "What are you going to do?" I said, "Well, we don't have any empirical social science, so let's get your people out there doing some of this and stop with this let's-fly-in-somebody-to-do-a-training-needs-assessment*

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*who can't speak Vietnamese. Get your ass out there and go find out some training needs. Stop this crap, stop it, just stop doing it now."*

*She said, "You're going to have to take this through the process, because we can't stop doing it now, because donors give us money on the basis of doing these very [...] capacity building—" We'll tell you what training needs you need, then we'll design the training for you. Then we'll hand it to you and pretend that you're smart. That's the normal donor strategy. They don't engage the faculty in determining their needs. They don't engage the faculty in designing the thing. Then they wonder why we get bad training. Well, hell, why would you get good training? I mean, the faculty can't design training.*

*So I said, "We're going to break this model. We're going to take these kids all the way through." She said, "I don't know if they can go all the way through. Well, we'll take them as far as they can." So that was the model. The model was to get this kids out into the field to do research, to get some idea of what this group of people, commune chairmen, needs. Why commune chairmen? There's 22,000 of them, what a deal. You can't lose. We know 22,000 need this training.*

HAUSMAN: So was this what led to the training program you described at first?

WYSOCKI: *Yes, it was this experience of: I can't believe it, they don't have a social science. They got nothing out of a quarter of a million dollars of training in Quebec, and I'm not going to repeat this again. I'm not going to make this mistake. Now I must say, we are operating next to the DANIDA [Danish International Development Agency] project. The DANIDA project has 1½ million dollars for the consultant, for all the consultants and for the training design. We have \$500,000. They're going to run for three years; we're going to run for a year and a half. Of the \$500,000, half of the budget is me—although I never got paid that much—but half of the budget is me. So that we got \$250,000 of on-ground deliverable money we can spend in Vietnam. I don't know how much DANIDA's got.*

*At the end of it I got Hoa to get the numbers. I said, "Hoa get me the numbers." She said, "What numbers?" "Tell me how much they spent." Well the answer is, "We spent \$250,000, and we delivered 15 courses, of which nine were adopted by government. They spent 2½ million dollars or whatever it was, minus the contractors' costs, the STA's costs, to deliver 15 courses, of which we cannot find any any more. We figure that the cost ratio is about 10 to one. It was all because I didn't use any experts, I just used them. It was those kids, those 30-year-olds, and Hoa. She did it. It was a great program. The donors couldn't handle—. The Swiss should have repeated it, but they didn't want to repeat it, so it's their business. Success is not particularly well rewarded in this industry; spending money is rewarded but success is not particularly well rewarded.*

HAUSMAN: Let me move on to another area of civil service reform: pay policy. The cost of civil servant wages is often a major problem and a strong impetus for civil service reform. At the same time, low civil service wages are also a common problem. Can you talk about major changes that you know about that have been made to civil service pay policy in Vietnam recently?

WYSOCKI: *Early in the millennium, or towards the end of the last one—no, it would be early in the millennium, like 2002 or so, I think they froze hiring so that they could use natural attrition to get rid of staff. Also, more recently—I couldn't tell you which year—but more recently they've also allowed agencies to handle their own*



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*budgets under block grants, also hoping that natural attrition would increase the amount of salary that could be distributed amongst the existing people.*

*The dilemma is—this is a good strategy, but the dilemma for them is that they don't necessarily know how to distribute on the basis of performance. So what happens is that a pie is now divided by a smaller number of people. There remains a very, very large number of people on the government's books that are not real, that are not there. I once met—the sister of a good friend of mine is the human resource director for the state of—this is interesting—the Hanoi State Treasury, which is an interesting term. It is not the Hanoi Municipal Treasury, it is the Hanoi State Treasury.*

*So I said to her, "What do you do?" She said, "We run the state treasury, we're the Hanoi treasury, we do pay checks, and we manage Hanoi money, and so forth." I said, "How many people on the payroll?" "Two thousand." I said, "Two thousand? How many people in Ho Chi Minh City?" "About 1,700." "You have 2,000 people here on the municipal payroll to run the treasury?" She said, "Yes." The whole city doesn't have a GDP of more than 20 billion dollars. I'm absolutely sure these people don't come to work every day, right? They're off doing something else. It just remains a problem for them, because employment is still a fundamental issue.*

*OK, so you still have a very large number of people who are technically on the rolls who are getting paid. The biggest issue for the state is not the ministries; it appears to be this issue of the fact that as soon as you start going out for the ministries, everybody else has to be included. So when the state talks about—when the government talks about increasing payrolls for people, it turns out the numbers really get large fast, like all the teachers in the country. So that's a real problem for them.*

*One of the ways they get around this problem is non-salary benefits, and there are two sources of non-salary benefits. What are all the natural benefits that are non-salary, like you have an office, you have a telephone, you have a computer, you have a place to go. You have healthcare, however quality it is. You have all those things, insurance and so forth, and the state pays for that if you're a public servant. The other is housing. People get their housing, they get housing allowances, and if they've been in the service long enough they actually get the land.*

*So, for example, there was a day at the National Academy where suddenly everyone was abuzz and no one would do any work, and I said, "Hoa what's going on?" She said, "They're allocating apartments." I said, "They're what?" She said, "They're allocating apartments." I said, "I don't get it." She said, "They're a couple of months away from completing the NAPA apartment buildings over on the west side." I said, "Really?" She said, "Yes." I said, "These are state-built apartment buildings for which you get a certain allocation?" She said, "That's right." I said, "How many do you get?" She said, "I get one. The director gets three, but I get one."*

*I said, "Three?" "Maybe two, maybe the director only gets two, but I get one." I said, "Do you have choices?" She said, "Yes, I have choices." I said, "Well, show them to me," because it was clear we weren't going to get any work done. So she brought in the plans. She brought in the plans of these buildings. She said, "OK, in this building I can have this one or this one or this one. In this building I can have this one, this one, this one or this one." I said, "How is this*

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determined?" "Rank. Rank and time in grade tells me where I can go." I said, "Really?" She said, "Yes."

So I said, "So the vice-directors have more choices than I have, and they have better choices than I have. So what is Omg Hien going to pick?" She said, "Hien will probably pick one real close to the ground, because you know everybody in Hanoi wants to be close to the ground." I said, "Oh no, what do people in Ho Chi Minh City want?" She said, "I don't know." I said, "Well, get on the phone and call your friends in Ho Chi Minh City and ask them what they would choose." So she did. I said, "What would they choose?" She said, "As high as you can go, and a window." I said, "Right, exactly." She said, "But, but—" I said, "No, you don't get it. You're looking for capital appreciation right?" "Yes, it has to go up in value." I said, "Well, then, Ho Chi Minh City is the trendsetter, follow whatever they're doing." So she did. She bought a house with a lot of windows as far up as she could get at the end of a hallway. She said, "Jay, it was a good investment." I said, "How much did you make?" She said, "Sixty to seventy percent in three years." I said, "Good for you."

HAUSMAN: You mentioned rank, time, and grade as the criteria within—.

WYSOCKI: For things like this.

HAUSMAN: Can you explain each of those?

WYSOCKI: No, I can't, it's too general. I can't do it. I can't parse it out into pieces. I mean, Hoa is still an expert, but she had a lot of time and she was moving up fast, and so I can't tell you how she was allowed this.

HAUSMAN: What is meant by grade if rank is expert, principal expert or senior expert, and time is how long you've worked there?

WYSOCKI: Good question. That may just be something left over from being raised in the military, sorry. Maybe you should ask her how many layers she sees. But anyway, those are the two things. There's the sort of recurrent budget extras you get, and then there's stuff on the investment budget. So why is this here? This is here because Omg Hien had managed to get this. He'd gotten the state to build the building for them. She'd already been given land the year before. So the year before, she'd gotten land somewhere, and they were building a four-story house. She got land by virtue of being a member of the National Academy of Public Administration; she got land in the National Academy's compound. Her next-door neighbor was some person in this department, and the other—. They were all—they go home and see everybody you go to work with. But the land had been allocated because it was allocated for NAPA a long time ago, and all over Hanoi there's land that belongs to ministries that are allocated to staff when they build things. That's how they get their bonuses. The bonuses are generally not given in money; they're given in land or these kinds of land/apartment perks.

You don't always get them fully; you often get the entitlement to buy them. So what did she get for this apartment? She got a 20-year, non-interest-bearing loan from the National Academy to buy this house.

HAUSMAN: I've been told in some of my other interviews that housing benefits have recently been monetized. Have you heard that as well?

WYSOCKI: *Could be. It could be that they can't keep on doing that. That's possible, I don't know.*

HAUSMAN: Let me ask you a bit about another area—.

WYSOCKI: *Sorry, there's one other piece to pay that's really important. There's one other piece to pay, because it also has to do with the institutions that we talked about earlier, and I should close the loop: it's access to the investment budget. So the international cooperation departments of all of the ministries have as their function pulling in money from outside, donors mostly. They then distribute access to that money. They don't distribute the money, they distribute access to the money.*

*So if you're in a particularly prominent position within that, you're in a position to reach out to all of your colleagues and friends and make them part of your project. While I was there, Hoa became a patron, and the people that she chose to pull into this project were people that—they were entitled to her because she was giving them access to something they would not have otherwise had. And she had access to things. She had a salary from it. She had access to those resources as well.*

*If you're part of an investment project, you have tremendous non-salary income sources. That's true anywhere. For her it is in giving these kids access to training. They designed the training. They now get to deliver all over Vietnam. But if you're running the Ministry of Construction, it's kickbacks and contracts to uncles who save enough material to buy you—you can build your house also. It is exactly what you would expect in a social capital system. If you get into this, if you get access to this or you're aligned with it in some way, you have the opportunity to get some of that capital, spend it on social capital, keep some of the money yourself.*

*Every time when we see these corruption cases, these are just guys who kept too much for themselves and didn't spread it around enough. It's not—everybody does this. They were just egregious. Somebody said, "That's too much, you've gone to far. Now we'll figure out a way to catch you." So the Minister of Culture, when the ASEAN games happened—the Southeast Asian Games happened here, he built 20 stadiums all over Vietnam; people said that's a really stupid thing to do because the ASEAN games are going to all want to be played in one place. No, it wasn't a stupid thing to do. He was being a patriot, and he was distributing stuff everywhere. But he went too far when he gave out the landscaping architecture contracts. People gave him stuff that died right after [...] was over. So then there were all these dead trees in front of all these buildings all over, and it was really obvious that he had done it badly. They put him in jail. They found a way to get him in jail. They got him.*

*When they got him he had five houses, five mistresses and five cars. That's what a minister of culture and sport can get by being a minister. That was his; that was how wealthy he was. Five houses, five mistresses, five cars. That's how it works.*

HAUSMAN: In many countries there is a market for public service positions. Is that true here, and if so, how does it work?

WYSOCKI: *Oh, yes. Because there's allegedly a hiring freeze, they're now on contracts. You have to pay to get your contracts. The translator for the ADB CTA paid \$5,000 to get her job. So she was in NAPA for a while, and then suddenly she was the CTA*

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*for the ADB program at a salary five times what she was earning. I don't know if she ever was able to earn enough to pay it back, but it created a whole lot of other options and opportunities for her that she has since been able to take. On the family investment, it was a good investment. It was the family's right decision to do on an investment basis.*

HAUSMAN: Did she tell you about it herself?

WYSOCKI: Yes.

HAUSMAN: Have you encountered other examples of this market?

WYSOCKI: *There is the very famous story—when I sat with the guys at the ADB loan program, I remember sitting with two of the guys and asking them to estimate. The number they gave me, these two Vietnamese guys said, a vice minister's job is worth a quarter of a million dollars. Because we were all talking about the ADB program and rationalizing pay, and I said, "OK, cool. If you're going to rationalize pay, that means the guy's—all the extra stuff comes out and all he gets is a paycheck. What is he going to need to make that translation one for one?" They said a quarter of a million dollars. I said, "So that's what it is really worth?" You hear that number a lot, so I think that number is right.*

*I have a friend who is in the tea business, and there is a story of a Vietnamese guy who goes to Iran—he gave me this story and I have every reason to believe it is true. A Vietnamese vice-minister goes to Iran to negotiate a tea contract, so Vietnamese tea being sold to Iran. While he's there, he gets in an automobile accident and he dies. He leaves his family with a quarter of a million debt. So it sounds like that number is right. You hear it a lot. I think it's probably right. That's what a vice-minister's position is worth.*

HAUSMAN: Let me ask you a question about decentralization. Has the government reevaluated at all their responsibilities as central government and localities in terms of the service delivery, and has it engaged in any privatization of service delivery as well?

WYSOCKI: *Those are two questions, and you're going to have to help me, remind me, because I'll forget the second one. The first question is, are they decentralizing to the provinces—that's how I take your question, are they decentralizing to the provinces?*

HAUSMAN: Yes.

WYSOCKI: *The answer is yes, they are decentralizing to the provinces. We have to talk about the complexities of how they're doing it. The other question is services. That's a very different question, so that would be like healthcare and education. The answer is, they are privatizing them sort of whole-stock by reinventing the name for socialism in Vietnam. The actual term is "xa hoi hoa" which is socialization. They are socializing the services, which is to say they're making them pay for them. It's one of those things that makes the intelligentsia irate, but who are you going to call.*

HAUSMAN: Let me ask you first about the decentralization to provinces.

WYSOCKI: *OK, so the donors were pushing hard for decentralization in the late '90s and early millennium. Their argument was the classic argument. You get closer to the*

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*people, you'll get more responsive. The government allowed them to do a lot of work. For example as the UNDP advisor I reviewed about five UNDP projects that had to do with decentralization and I read I don't know how many reports, maybe another 10 reports. In the article I sent you, the last page is a reasonably concise bibliography of major decentralization studies.*

*So the decentralization has two pieces to it. One is moving money out to the provinces, usually in the form of block grants. The other one is getting the provinces to take on more of the responsibilities for economic growth. Now I can speak for the first one—I can speak to them both. The second one is also well written up in a pretty nice piece of UNDP research. Actually, it is one of the better pieces of UNDP research that has been done. It was done in 2006, I think, on economic zones, local economic zones in provinces.*

*So let's do the block grants thing. Block grants make good sense. The donors pushed it. They really like the idea. Let's get more money into the provinces, and let them do it as they need it. It makes sense. In 2005 we had a huge inflation scare, and most of the people think the inflation scare was due to the fact that all the provinces were over-investing in physical infrastructure. Hence, prices of raw materials were skyrocketing, and there was a shortage all over. We were building too many roads, too many golf courses. Every province with a shoreline has a plan for a deep water seaport, and every province wants an airport. This is stupid. But this is what happens when you give everybody money, right, because they all want to be equal. You can't tell me not to be equal. Why me? Why can't I have one. They're like children.*

*There is no regional planning. If there were regional planning it would help. There's going to be regional planning, because what will happen is that they just won't be allowed to do this, but in the process they're going to waste a lot of time and money pretending they're going to do it. No one is going to tell them no or slap their wrist. They'll let them do it, they won't fund them.*

*Here's my take on decentralization. The central committee of the Party is about 300 people, and it includes all the Party chairmen of all of the provinces. The government is clearly scared of inflation because it destroyed the economy in '87. It's also scared of too little growth because of the 1.3 million kids to hit the job market. So we need good economic growth, and we can't handle inflation. So the Party just experienced one, and it managed to kick it back, and it looks like the Vietnam experience, and it looks like it managed to kick it back. But it doesn't stop them from being really nervous.*

*So in 2006 the government put out the New Public Administration Action Plan. It had a whole lot of stuff about local government in it, action this, action this, action this. Actually, no one knew where it came from. Then finally somebody found it. It was in Party Resolution 17. So we got a translation of Party Resolution 17 and lo and behold, there it was. The Party wants to experiment with changing the structure of government. So they're going to run pilot programs in the following: they're going to make four cities that were not their own provinces into provinces. So Hai Phong will be a provincial-level city. Hanoi will of course be one now. Ho Chi Minh is already one, Da Nang is going to become one, and Can Tho will become one. So they will have autonomy, and they'll also have a seat in the central committee.*

*But I think that people underestimate the degree to which this is driven by fear. My take on this is the following, and no one has actually been able to argue*



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*against my position—and I've talked to Vietnamese, I've talked to everybody about this, and most people think I'm probably right. Given what the party's fears are, and given that the central committee has now been expanded dramatically to include all the provinces, it absolutely has to make sure that all of the party people in the provinces are loyal. So block grants really, really are good strategies to make sure those people stay loyal, because you're just giving them money and they're allowed to deal with it on the investment budget side. It's not the recurrent budget side.*

*My guess is that was not missed when they began to do it in 2000, because every time we've seen an attempt to put in rational planning processes funded by the donors in the provincial level province, they almost always get absorbed or usurped into the government planning processes and changed radically in this top-down strategy. So all bottom-up planning strategies from donors have largely failed. They've never had any lasting impact. So all of our attempts to do local infrastructure planning at district and commune level—forget it. P135 [Program 135, a five-year poverty reduction program implemented by the Vietnamese government] comes through and says, "Sorry, we plan from the top down, that's the way it's going to be." We create trainers who can aggregate. UNDP and a few others, Germans, created hundreds of trainers who are capable of getting the plans out of the communes and aggregating them at district level and taking them to the province—forget it, doesn't work. The provinces are just uninterested, they're not interested.*

*Now it looks like the government is confident enough that they're going to simply go ahead and say that: we're no longer interested in your bottom-up planning process, because the new SEDP [Socio-Economic Development Plan 2006-2010, Vietnam government's strategy to achieve middle-income country status by 2010] planning process looks to be entirely top-down-driven with allocations of money. No one is asking for data on what you need. The other piece of Resolution 17 from the Party is, let's change, let's remove the districts as an administrative entity, by which we mean they no longer hold a budget. The budget is held for them at the province level. This will increase the speed by which infrastructure is built. It will make it more efficient, and it will remove a rent-seeking layer at the district level.*

*They can't get rid of Communism, because that's the basic level of government organization. So that one is always going to stay. It's also in the Grassroots Democracy Decree. But it is reasonably clear that in 2012 we're going to get a new constitution, and the Party and the government will be closer aligned, and there will be enormous amounts of power invested in the Provincial People's Committee, the executive at the province. That person, the committee chairman for every province, is a Party member who sits in the committee. So this does not look like representational democracy, unless you understand that the central committee is a very large voting entity—we just don't know how it votes; it's just not a public voting entity. But they sure do vote. Absolutely. They vote, they bicker, they infight, they do all of that.*

*It means that Vietnam is controlled by 350 to 400 people plus a few ministries and other families. Vietnam is probably controlled by 500 folks. That is decentralization in Vietnam. That is it. You have to understand that that is a decentralization activity for them. They are indeed moving power out into the provinces. They're just putting it into the hands of the people they trust, the executive committee chairmen who they can trust and they can hold accountable*

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*in the central committee meetings. They have to do it because the government is not working.*

*The Party is saying, lets start stripping out layers of government, and let's put our eggs into the people we trust. It's coming out and it's starting to say, we're going to have to take responsibility for this because the government, the separation between Party and government, isn't working. That will look like centralization to all the donors, and it probably is. My argument is, decentralization always had two elements to it, representational democracy and economic efficiency. You can't—they have no good experiences with representational democracy, and they have lots of bad experiences with economic inefficiency. So they've chosen to make sure that their economy is a little bit more efficient because their issues are not representational democracy; it's economic growth and what to do with those 1.3 million kids every year. That's their issue. There is just no way around that.*

*The donors are just going around, floating around, talking about voting. It's just a waste of time. It's annoying.*

HAUSMAN: What has your involvement been with decentralization? Have you been involved from the donor's side?

WYSOCKI: *I reviewed the only UNDP program that was looking at decentralization, and I was an advisor to one of the UNDP programs in the provinces. The UNDP programs—they're a waste of time. They're written on the wrong strategy. They're written to allow the government to pretend it's doing representational something. As long as the donor money flows, the government will do what it wants to do, and the strategies inside UNDP, the national execution strategies, are such that under the bilateral treaty between the government and UNDP—and since the government is UN—everybody in the UN is in the UN, right? So you've got to remember that Vietnam is UNDP. So UNDP is sitting here saying they're never going to say anything against the government because the government is them.*

*So national execution strategies for the government are such that UNDP designs the thing and then it finds the government agency to run it. Then it gives them the money. Well, they're not going to take the money back; they never do. So what does the government care—it just tells them anything they want, and they do. They tell them anything they want.*

*I looked at, for example, the support for local government programs which was part of this overall decentralization strategy. Waste of time. It was supposed to take lessons out of the use of block grants and bring them to Hanoi to show NPI how block grants were used. Forget it. It became NPI's training budget to tell them how to run. That's it—it is Mr. Bui Ha's training budget. And over and over again you see this, because the donors don't understand how this place really is going to decentralize.*

HAUSMAN: Let me ask you a couple of questions about political will and donor relations.

WYSOCKI: Yes.

HAUSMAN: First of all, are there any individuals, or I guess even departments, that you think are behind the public administration reform agenda in government on how decisions have been made?

WYSOCKI: *You mean any government agencies?*

HAUSMAN: Yes.

WYSOCKI: *Well Ministry of Home Affairs [MoHA] is the lead agency for all PAR.*

HAUSMAN: Are there individuals in it you think that have been driving the agenda in particular?

WYSOCKI: *No, they're responsive. They're not proactive. They'll do whatever the Party tells them to do. [...] is the former government Committee on Organization and Personnel, which was a Party entity, spun out so that the donors would have someone to talk to who wasn't the Party. So that became the poster boy for PAR, and they supported that, the government, because we needed someone to talk to who wasn't the Party, so the donors talked to the ministry. They made it a ministry so the donors could talk to it. Is it that clear? No, it's not that clear, but is that how it is? Yes, that's how it is. MoHA is so ineffective the government has reconstituted its own government committee on organization and personnel. It has a new name, but they've done it again because MoHA is so ineffective.*

*Is there anybody inside it? I've talked to the people inside it. They're Party apparatchiks; they're not going to do anything to upset this apple cart, nothing. They are not reformers. They are not pushing. You don't do that. That potentially upsets your boss, and that's a really bad idea in a patronage system. There are donors who are supporting it and pushing it, but they've never understood this place, they just get absorbed. They just keep on shoving their money into the system, and the system takes it. The donors don't understand. They do not understand that they're feeding an entity that they want to become an athlete—but they're not asking you to perform, they're asking you to get fed. You have a fat athlete; that's what you get if you feed the kid all the time, and that's what they do, they feed it. So what is that called? In our language usually it is called corruption.*

HAUSMAN: Well thanks so much for answering all these questions. I just have one last question, which is: what lessons do you think you've learned in your experiences here that might be applicable in other countries that are attempting civil service reform?

WYSOCKI: *I wish you'd asked me that before we started, so that I could have let it grind away in the subconscious. That's a really good one. The one right off the top is not so much about PAR as about—because the countries engaged in PAR often take donor money, the donors need to really think this through. Donors are, fundamentally, most likely a problem in this. They're not helpful; UNDP is probably the least helpful. The reason is very simple: they can't complain. They have to be politically correct in their complaints. Well, that's stupid, that's just stupid.*

*You get vibrant PAR when you have a press that is complaining mightily, but donors complain less. The donors don't even stand up and support the press complaining here. Donors don't even stand up and support the national auditor when it says our programs are [expletive]. So the auditors have audited the small-scale infrastructure program, P135, and they've said it is a massive failure with incredible amounts of corruption. The donors do six studies on it and they*

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*say, oh, well, it has some problems, but it has done some good things, and we're going to give it some more money.*

*The biggest lesson in Vietnam is, you don't go taking action until you understand the system in which you're acting. Now that sounds incredibly obvious to you, but no donor does it. Because if you took that long to do it, somebody would beat you to spending money and some other ambassador would be more important or something like that. I don't know. I don't understand the motivational systems of people who are willing to say they promise money that everybody knows is being used badly. I don't get it, I don't. I get donor theater, I understand donor theater, I've seen it. But I don't get the motivation systems of countries wasting their money when they know it's wasted. It isn't like they're buying political capital here. It isn't like they're buying alliances. They're being taken to the cleaners; they're being stripped of their money, and they're largely regarded as sycophantic.*

*I don't know, I can't come up with—they are sycophantic and they're not given respect because the government doesn't respect them. They know that they're sycophantic. Why would you respect a sycophant? So over and over again you see this. So over and over you see—I was in Uganda, and they're all talking about great stuff [Yoweri Kaguta] Museveni is doing. Museveni has redone his own constitution so he stays in power. Now no one talks about public administration reform in Uganda.*

*Over and over again we do this as donors, which suggests to me that we shouldn't be in the PAR business, because mucking around with somebody else's government is probably a bad thing. We know we're biasing, but our only strategies are to bring it money or bring it people. Bringing it money is a bad idea; it doesn't make it efficient. Efficiency is change in outputs over change in inputs. You bring it money, you boost the inputs, you get less efficient government, not more efficient government. And bringing in advisors who can't talk to it sucks up time; you get less outputs.*

*The donor PAR agenda—the PAR agenda here is funded by the donors and largely irrelevant. So over and over again it just looks to me like theater. It's a market. The donors showed up in the market saying, "I have this much money to spend," and every person in the market said, "The cost of my chickens just went up."*

HAUSMAN: Great. Thank you so much, it was great to talk to you.