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Minor Field Study

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Who is driving policy?

- a discussion concerning the co-operation between Vietnam and the World Bank

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Abstract

In this study we focus on Vietnam and the World Bank. The aim of the study is to discuss the structure of and barriers to the co-operation between Vietnam and the World Bank. Our objective is also to discuss who is driving policy within the Vietnamese health sector where the World Bank has an important role. The study is a Minor Field Study undertaken in Vietnam. We conducted numerous interviews with key informants. We also collected secondary data. Four themes will be used to illustrate the complex structure and relationship between Vietnam and the World Bank. When studying the co-operation between Vietnam and the World Bank we find that the co-operation on the general level is marked by consensus. In the health sector, however, the partnership is more challenging. Indicators show that Vietnam is driving policy within the Vietnamese health sector. Despite this, the importance of the World Bank cannot be underestimated for the future economic development of Vietnam.

Keywords: Vietnam, World Bank, policy, health sector, co-operation, partnership and aid.

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Xin cam on!

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Emma Ferm and Linda Johansson

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List of Abbreviations

ADB	Asian Development Bank
ASEAN	Association of South-East Asian Nations
AusAID	Australian Agency for International Development
CPV	Communist Party of Vietnam
IDA	International Development Association
IMF	International Monetary Fund
GDP	Gross Domestic Product
MoF	Ministry of Finance, Vietnam
MoH	Ministry of Health, Vietnam
MPI	Ministry of Planning and Investment, Vietnam
NDP	National Drug Policy in Vietnam
NGO	Non Governmental Organisation
ODA	Overseas Development Assistance
Sida	Swedish International Development Cooperation Agency
SOE	State Owned Enterprise
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
WHO	World Health Organisation
WTO	World Trade Organisation

1 Introduction

Vietnam got a lot of attention in the economic debate during the 1990s. The former closed country started to open up towards the world. The renovation from plan economy towards a market based system showed an impressive economic growth. Despite the successful economic development, Vietnam is still in need of foreign aid, loan and support from the international donor community. Since the collapse of the Soviet Union, the World Bank has become an important foreign actor in Vietnam.

The World Bank is to be considered as a transnational actor who operates in almost every part of the world. The economic policy used by the World Bank is founded upon the ruling theoretical paradigm of Washington Consensus. The pillars of Washington Consensus are liberalisation of the financial sector, privatisation of state-owned enterprises, fiscal discipline and trade. The role of the state is minimised. (Gore 2000:789) The World Bank has conducted several economic reforms in developing countries that today are considered unsuccessful due to the fact that these countries imported the universal "recipe" of Washington Consensus, without taking domestic preconditions into account (Jayasuria and Rosser 1999:1). Therefore the World Bank has endured a lot of criticism in the economic development debate. Vietnam on the other hand is considered as a positive example of World Bank interventions. This caught our interest and made us want to investigate the relationship between Vietnam and the World Bank further.

Vietnam seems to differentiate itself from many other clients to the World Bank. Vietnam is poorer than its neighbours, the Tiger Economies, but it is richer and has different preconditions than developing countries in other parts of the world. Weak states and large debts mark the African developing countries, while Vietnam, like other Asian countries, is characterised by having a strong state. (Migdal, 1988) Due to these preconditions it appears as if the World Bank is working in a special context in Vietnam.

Expenditures related to medical treatments are the main reason to why people in Vietnam fall into poverty. The Vietnamese health sector, faces major challenges to reduce the out of pocket payments and to include larger shares of the population in the insurance system. Therefore the health sector has received a lot of attention from the international donor community. We have chosen to focus on the World Bank's involvement in the health sector since the World Bank is a major donor in Vietnam and to the Vietnamese

health sector. According to Walt (1994) the World Bank's involvement in the health sector is far from uncontroversial. That is another reason to why we wanted to investigate the relationship further.

> "The [World] Bank has assumed a more central role as a major financier and as an authoritative source of policy ideas. These changes raise a number of fundamental questions. How should the mandate for health be shared among those UN agencies currently involved? How will the Bank's involvement influence pluralism in agenda setting? What are the potential positive and negative implications for having a Bank as the fulcrum of health policy development? The answers to these questions require further analysis of the relationship between international and national policymakers in health." (Walt, 1994: 127)

2 Purpose, Methodology and Material

2.1 Purpose and focus of the study

The focus of the study is two-folded. Our first objective is to discuss the structures of and barriers to co-operation between Vietnam and the World Bank. Our second objective is to discuss who is driving policy within the health sector. To be able to discuss the second objective the structures of and barriers to co-operation between Vietnam and the World Bank have to be explored. We proceed from the notion that Vietnam is acting like a strong state, but the picture presented in the study will be more complex. The World Bank is to be considered as a transnational actor.

This is to a large extent an empirical study. We mean that it is important to emphasise our empirical findings after having spent 10 weeks in the field.

2.2 Method

A grant from the Swedish International Development Cooperation Agency (Sida) gave us the opportunity to spend 10 weeks in Vietnam during spring 2002. Our research took place in Hanoi[1], Vietnam. This was based upon the fact that the intellectual and political power is located in Hanoi in the north, whereas Ho Chi Minh City in the south is seen as the commercial and business capital. Not only is the political power located in Hanoi but also the World Bank head office.

We have conducted a qualitative empirical case study. According to Yin's (1989: 23) definition of a case study it is suitable to use this method when studying and analysing empirical material concerning a contemporary phenomena. Further advantages of a case study is the use of multiple sources, which provide the researcher with more supporting evidence. Also according to Yin (1989), when scrutinising a relationship that is considered complex, the case study is a useful method. The co-operation between Vietnam and the World Bank is an ongoing and contemporary process. Furthermore, using the case study as research strategy provided us with opportunities to understand complex phenomena (Yin 1989:14). The field study also enables us to give the thesis depth and credibility in a way that a

[1] We thank Per Evenäs for great guidance in Hanoi and especially for showing us the Hang Hanh Street.

literature study would not. Even though it is not our aim, nor possible due to limits in time and space, it would have been interesting to make a comparative analysis between two countries where the World Bank is involved in the health sector. With a comparative analysis perspective it would be made possible to see in what sense Vietnam is acting like a strong state. It would also give us the possibility to see if the World Bank is treating Vietnam differently than other countries.

A major advantage of the field study is the rich access to empirical material. This should be considered very positive when conducting research, but it can also become a major pitfall where you as a researcher tend to drown in all the information given. This has been of great concern for us to avoid during the process of working with the thesis.

Initially we wanted to study the co-operation between the World Bank and Vietnam from a poverty alleviation perspective. We soon realised that this would be a difficult task, since almost every project performed by the World Bank can be considered as a step in their poverty alleviation strategy. Both Vietnam and the World Bank have expressed the intention to reduce poverty, and poverty alleviation has been given first priority (Consultative Group Meeting 2001:1). When in Hanoi we understood that our question could not be answered if we stayed focused on the general level of the co-operation between the World Bank and Vietnam. The World Bank is deeply involved in several sectors in Vietnam. Trying to understand the overall co-operation on the policy level within all these different sectors would be much too difficult. Initially we understood that the co-operation was working well on the general level, but also that each sector co-operation develop at different speeds, and have a variety of purposes. Therefore it would be impossible to generalise on the general co-operation between the World Bank and Vietnam without missing out on the complexity of the relationship. We also got indications that the co-operation within the health sector was considered more challenging, in comparison to the forestry sector for example (Consultative Group Meeting 2001:49 and Interviewees, MoH, International Donor Community and Researchers). We decided to narrow the analysis and to focus on the health sector. This decision does not interfere with our wish to proceed from a poverty alleviation perspective. In fact the health sector is considered to be very important for poverty alleviation for a number of reasons, which we will return to.

We had endless options on how to carry out our study. It is impossible to give an absolute and correct picture of the entire relationship between Vietnam and the World Bank, and it has never been our intention. Due to the complexity that is characterising the co-operation between the two, it was not possible to give an in-depth picture of the relationship. But we have chosen an in-depth method to be able to show the complexity that we mean characterise the relationship. To conduct a relevant discussion on who is

driving policy within the health sector we have decided to present a broad view of the co-operation between Vietnam and World Bank, discussing several factors of explanation. To make the factors of explanation more visible our empirical discussion will be divided into four different themes. The themes are listed below and they have been selected to give our empirical discussion structure, but also to show complex phenomena.

1. Co-operation between Vietnam and the World Bank
2. World Bank Hanoi vs. World Bank Washington
3. Structures within the Vietnamese Ministry of Health
4. Co-operation between Vietnam and the World Bank within the health sector.

By itself each theme cannot give an answer to our question at issue. They should all be seen as parts of a complex explanation that will be discussed in the analysis. When preparing the outline of the study we had an idea of what the future themes would be, but we also got new ideas for them during our stay in Hanoi. The pre-understanding of the relationship between Vietnam and the World Bank did somewhat influence us when developing the questionnaire that we used for our interviews. The selected themes do also constitute some kind of model that could be used by others in another context, since the model is not tied to Vietnam specifically.

For our empirical discussion we have to look closer into the structures within and between the two actors. According to Risse-Kappen (1995) an actor's behaviour and liberty of action is dependent on the actor's inner structure but also the structure surrounding the actor (Risse-Kappen 1995). The empirical findings will be briefly analysed with a theoretical framework presented in chapter four. The theoretical framework focuses on transnational actors' possibilities to influence policies, and on high and low politics.

In the study we will be dealing with two major actors, Vietnam and the World Bank. The World Bank is considered as a dominant actor within the international donor community and it is also an important donor in Vietnam. However, the World Bank is far from being the only donor present in Vietnam. Like one interviewee said, "Vietnam is crowded with donors". Other important donors are WHO, Japan, Sida, AusAID and Asian Development Bank to mention a few. Even though we have chosen to focus on the World Bank, we are aware of the great importance of the big donor community in Vietnam.

Being aware of the complexity of the policy making process, we have no intentions to try to follow the policy making process from initiative to implementation of a policy. (Premfors 1989 and Walt 1994) A policy is defined by that a policy is larger than a decision, and further "policy usually

involves a series of more specific decisions in a rational sequence". (Walt 1994:40)

2.3 Interviews – primary data

One of the most important sources of case study information is the interview (Yin 1989:88). There are many reasons for us to base our research on interviews. Even though much research has been done about Vietnam and the World Bank, the kind of information that we are looking for is limited. Interviews are also useful to confirm or falsify opinions based on previous research (Yin 1989).

A primary aim was to interview officials directly involved in the co-operation between Vietnam and the World Bank. We also interviewed representatives from other multilateral and bilateral donors, such as Sida, Asian Development Bank, WHO and the European Commission, who have experience of working with the World Bank and/or in the health sector in Vietnam. Before leaving for Vietnam we also interviewed Swedish researchers who have expert knowledge of Vietnam. We have divided our interviewees into three groups. The *international donor community*, consisting of both foreign and Vietnamese experts working at international development agencies. The second group involves staff working for the *Ministry of Health* in Hanoi and staff from hospital administration that we met during our field trip to the Bac Giang province. The third group consists of *researchers* with expert knowledge on Vietnam. The main reason for categorising the interviewees instead of referring to their names is the respect of integrity of the interviewee. It is difficult for us to know what is considered to be sensitive information. Further, due to lack of time the interviewees were not given any possibility to read the thesis. Besides that, using specific names would not contribute to the analysis.

The field study created opportunities for direct observations (Yin 1989:91), as well as informal discussions with local people. This contributed to additional information about Vietnam and a greater understanding of the country and its people.

The interviews have been an important source of information. They have for the most part been carried out to enlighten us about complex phenomena and to give us a wider perspective of the relationship between Vietnam and the World Bank. They also widened our knowledge about the health sector in Vietnam, which initially was very limited. We have tried to form an unbiased questionnaire where the questions are based on the chosen themes. Since our questions are rather wide, our interviews were carried out in a more conversational manner, where the interviewee has been able to take a

leading and explaining role. Methodologically, this is an example of an *open-ended nature* interview or a *semi-structured* interview (Yin 1989:89 and Kvale 1997:117). If the interviewee approved, a mini disc was used to record the interview. This made dialogue easier, instead of focusing on taking notes. It has never been our intention to use the recordings for quotations.[2]

2.4 Secondary data

Multiple sources are important to give credibility to the analysis. Collected secondary data originates from different governmental institutions, organisations and independent studies. During our stay in Hanoi we collected reports, published and unpublished, above all originating from the Ministry of Health (MoH) and the World Bank. We have also carried out additional readings and searches on the Internet and in literature before and after visiting Vietnam. We have used literature concerning transnational actors, health policy and literature emphasising the process of economic and political development over time in Vietnam.

2.5 Critique of sources

During our stay in Hanoi we experienced great support for and interest in our field study. Despite being warned of difficulties in finding people interested in being interviewed, we were met with enthusiasm. Instead of being dependent on our hosts to arrange interviews, we could establish most contacts on our own. This gave us the possibility to be more selective. It is impossible to cover every donor present in Vietnam or every existing opinion on this subject. We are satisfied with the number and the persons being interviewed. They have all contributed to our understanding of the relationship between Vietnam and the World Bank. All interviews were conducted in English, except for interviews made in the Bac Giang province where an interpreter was needed. We feel fortunate that we could, almost exclusively, have a direct dialogue in English with the interviewees, since we are well aware of that using an interpreter can cause both biased questions and answers.

The use of statistic material can be an important source and a method to illustrate a qualitative study. We have sometimes found it difficult to find concordant statistics. Vietnamese statistics can either be official or

[2] Kvale's (1997:85) seven stages of interview research guided us through the process of preparing, conducting and analysing the interviews, which can be recommended when conducting qualitative case studies.

unofficial. Further, Vietnam and the World Bank often use different methods of measure, which brings about difficulties when comparing the statistics. Whenever we have used statistics we have used the sources carefully, and we have tried to find multiple sources to confirm the findings.

2.6 Structure of the study

The reader will be given useful background information in chapter three. The chapter consists of a historical background to Vietnam and to the World Bank involvement in the health sector, as well as an overview of the current Vietnamese health situation. In chapter four a theoretical framework is presented, which will be a useful tool when analysing the empirical findings. The empirical findings of the co-operation between Vietnam and the World Bank is discussed in chapter five and analysed in chapter six. In the last two chapters concluding remarks and ideas concerning further research will complete the study.

3 Actors and the scene

In this chapter we will present an overview of the recent political economy[3] of Vietnam, the Vietnamese health sector and finally the World Bank involvement in the health sector. This will provide the reader with needed background information.

3.1 Understanding Vietnam

Like in many western countries a strengthening of the state occurred in several developing countries between the end of the Second World War and the 1970s (Walt 1994:12). Vietnam was one of those countries. The strengthening of the state began in northern Vietnam, while this process did not start in the south until the American soldiers had been defeated in the middle of the 1970s (Utrikespolitiska institutet 1998:14). By the beginning of the 1980s, the global economic recession, together with the winds of liberalism, questioned and criticised the far-reaching role of the state. By this time Vietnam was in dept, like many other developing countries (Utrikespolitiska institutet 1998:16). The state owned enterprises (SOE) were not efficient enough to pay the taxes that were required to keep the administration of the country going. Vietnam relied on foreign aid, primarily from the Soviet Union, to manage the expenses of the public administration (Utrikespolitiska institutet 1998:16). The idea of the shrinking state started in the industrialised countries and spread to the developing countries. But unlike many other developing countries at this time Vietnam was not pressured by the IMF or the World Bank to liberalise its economy through Structural Adjustment Programs (Walt 1994:12). Instead the Vietnamese started their own renovation of the economy known as the *doi moi*. The government created and implemented the *doi moi* reform without promises of external funding and without foreign conditions being imposed (Wolff 1999:26). The Communist Party of Vietnam (CPV) conceived the *doi moi* mainly as a response to internal difficulties, but the

[3] Political economy can be seen as the political basis of economics or as the economic basis of political action. Politics and markets are in a constant state of mutual interaction. In the case of Vietnam it is apparent that the *doi moi* should be considered as a political and economic reform. It is important to take both into consideration when discussing resent changes in Vietnam. For further reading see Frieden and Lake (2000).

reform was speeded up by external forces like the Tiananmen Square in Beijing and with the fall of the Berlin wall in Eastern Europe. The purpose of *doi moi* was not only to change the economic order in Vietnam, but also to renovate the entire system. Without change, the Communist Party would face an increasingly grave crisis, and there was a great awareness of this within the party. "*Doi moi* should, hence, be pursued in a way that consolidated rather than weakened the role of the CPV" (Ljunggren 1997:12). The real changes in the Vietnamese economy did not become apparent until 1988-89 and during the mid-1990s the annual GDP growth rate exceeded 9 percent (Kokko *et al*. 2001:1).

The Vietnamese economy is still in transition towards a market-based economy, but the collective system has eroded and the individual autonomy in the economic sphere has increased (Kolko 1997:34 and Bring *et al*. 1998:45). The first ten years of reform showed impressive results, but economic development during the last few years have looked less grand. A common explanation to the downturn in the economy can be found in the protection of the SOEs in combination with high trade barriers (Kokko *et al*. 2001:1-3). It is worth noting that the current socio-economic plans for Vietnam still show a strong support for the SOEs and heavy industry such as petroleum, building material and basic chemicals (The Communist Party of Vietnam 2001a and The Communist Party of Vietnam 2001b). It is not likely that Vietnam can rely on high growth in the future. Additional reforms will be needed to keep the country on the path of further development. Despite the macroeconomic "success", Vietnam remains as one of the poorest countries in the world. 80 percent of the population still lives in rural areas, where the impact of the country's economic growth has been modest (Jönsson, 1998: 172 and www.worldbank.org/cgibin…).

Despite ongoing reforms, the CPV still pervades all dimensions of life in Vietnam (Kolko 1997:119). It is difficult to draw a distinction between the state and the Communist Party, since party members are represented through out the whole country. The civil servants are presumed to be partisans, which implies a partial structure (Walt 1994:83). The administrative structure of Vietnam is, however, divided between the Communist Party of Vietnam, the State of Vietnam and the Fatherland Front (Jönsson 2002:151). The media and most research institutes are under direct control of the party[4]. Most civic organisations and NGOs[5] are

[4] Once a week there is a meeting where representatives from the Communist Party inform the newspapers on what is acceptable to print in the newspaper, even though it is getting more difficult to maintain the censorship. (Bring *et al*. 1998:19)

[5] The abbreviation stands for Non Governmental Organisations. It is a difficult task to judge if a Vietnamese organisation according to international standard is an NGO or not. All organisations must however be registrated in the Fatherland Front, but most of them seem to have a clear distance to the state. For further reading concerning NGOs in Vietnam see Sandin (2001).

members of the umbrella organisation for mass organisations, the Fatherland Front. The Fatherland Front is tied to the CPV (Bring *et al*. 1998:14 and Jönsson 1998:178). To fully understand the Vietnamese society of today the Confucian influence needs to be considered. The traditional values such as dignity, social harmony and the importance of education to achieve high social status are still apparent in society (Tönnesson 2000:240).

3.2 Vietnam - the health situation

Vietnam is unique concerning health development. Despite war, trade embargo and previously low levels of foreign aid, Vietnam has managed to keep a relatively good health situation. This becomes apparent when comparing the Vietnamese health situation to that of other poor countries. The life expectancy is 11 years above what could be expected from Vietnam's economic situation. The infant mortality rate is as low as in Thailand and the Philippines, even though these countries have a GDP/capita nearly twice that of Vietnam (Pham Manh Hung *et al*. 2000a:6-7). The emerging health problems in Vietnam today is malnutrition especially among the poor, diseases related to smoking, HIV/AIDS and injuries through road accidents (Ministry of Health 2001:1).

The health care system after 1954 was based on the agriculture co-operatives. The health care was provided for free and with almost universal access (Pham Manh Hung *et al*. 2000a:1). The health workers were paid in work points at the co-operative or in necessaries such as rice. Preventive care at community level was also provided by the agricultural co-operatives. *Doi moi* and the economic growth that followed, changed the old structure. Decollectivisation of rural areas rendered it impossible to maintain the old health care system in Vietnam. Despite the change, high health results were still achieved. The overall economic growth contributed to the maintenance of a good health standard.

The economic achievements led to increased inequalities in the Vietnamese society.[6] The utilisation of public health facilities has changed over time. The access to basic health care has been reduced. A 50 percent reduction of outpatient visits between 1986-1990 show clear signs of reduced access to health care (Pham Manh Hung *et al*. 2001:298). When the Vietnamese government had to take over some of the health facilities, which earlier were run by the agricultural co-operatives, the burden of the state budget grew. To repair the damaged state budget, user fees for health care were introduced in 1989 (Pham Manh Hung *et al*. 2000a:56). The Vietnamese notion of user fees is that they constitute an intermediate solution to be

[6] Further reading Pham Manh Hung *et al*. (2000b).

replaced rather than developed. (Interviewee, International Donor Community and MoH) This has led to a situation where 20 percent of the population has increased their share of hospital utilisation while the poorest 20 percent has reduced their hospital utilisation. This has happened despite the fact that the access to health care among the poorest is crucial. Thus, the main problem is not a shortage of health care facilities, but instead the access to health cares for the poorest. This is something that we witnessed during a field trip to Bac Giang, a province hospital. The facilities had a high standard, but we did not see any patients. Adequate supply of health facilities is provided by the Vietnamese state, but the patients cannot pay for the service while those with financial resources go to hospitals in Hanoi because of the short distance to Hanoi and the better reputation.[7]

The reduced access to both public and private health care for an increasing number of people in Vietnam have increased the rate of self-medication. Visiting a private drug vendor is by far the most common health care contact. The *doi moi* reform has contributed to an increase in the supply of drugs. Both domestic production and the import of drugs have increased enormously along with the number of private drug vendors. The level of knowledge at the private pharmacies is inadequate since the staff does not have any medical nor pharmaceutical training. Besides that, the desire to earn money contributes significantly to the challenging situation with irrational use of drugs, which is about to lead to antibiotic resistance in Vietnam. The drug vendors tend to sell drugs without prescription and more drugs than needed, further, they give the customers irrational combinations of drugs and too short antibiotic treatment courses. (Törnqvist *et al*. 2000:139-140)

To be able to meet the needs of the population there is a great need for change in the Vietnamese health system. It is of great importance that Vietnam defines the role of the state and the role of the market concerning future health care financing. Different kinds of health insurance are a common suggestion to solve the financing problems. Health insurance, however, was introduced already ten years ago in Vietnam. The problem is that the system only covers a small share of the Vietnamese population that is the government employees, SOE staff and Vietnamese hired by foreign owned firms and international organisations. By the end of 1998 the enrolment in health insurance was nearly ten million people, but very few of them can be found in rural areas. The variations between provinces are also significant, where for example in Hai Phong 38 percent of the population is enrolled while for some of the provinces in the south the enrolment rate is only around 5 percent.

[7] We would like to thank Mr Anh at the Ministry of Health in Hanoi and Claudio Mc Conell for arranging the field trip to the Bac Giang province 28/02/02.

Because of the contemporary health situation over three million people return to a life in poverty each year. It is well known that poor health reduces income and generates poverty, but the fact that high medical costs also force sick people into poverty is less known. The *medical poverty trap* constitutes a greater threat for the poor parts of the population today than traditional sources of unrest like unemployment and poor harvests. Household surveys made in rural areas in China and Vietnam show that medical expenses like user fees and out of the pocket payments, are the main reasons to why people become poor. Besides the fact that three million Vietnamese fall under the poverty line each year, the middle income households also get affected and drop into low-income households because of medical expenses. Medical expenditures are considered as *forced payments*. There is no option for the family but to try to find money to pay for the treatment needed. One common strategy to deal with this unexpected cost is to ask for a loan with a high interest rate. 30-40 percent of the poor patients who needed treatment stated that they had to take a loan to pay for medical expenditures. The second most common strategy in Vietnam is to sell capital goods or livestock, but also reducing the food budget for the family, or withdrawing children from school (Dahlgren and Nguyen Dang Vung 2001a and Dahlgren 2001b).

3.3 Understanding the World Bank – the involvement in the health sector

Even though only 5 percent of the World Bank's budget is devoted to the health sector, the World Bank has during the last years become the greatest external funder of health sector investment in developing countries. The World Bank is ahead of both the WHO and the UNICEF. The World Bank's interest in developing the health sector started in the 1960s when the donor community became aware and worried about the rapid population growth in the world's poorest countries. In the 1980s the World Bank expanded its interest in questions concerning the health sector by approving direct lending to health sector services. Strengthening the health sector in developing countries was considered necessary to attack poverty and enhance economic productivity of the poorest (Walt 1994).

During the 1980s the World Bank was regarded to be part of the orthodox liberal values that marked international politics at the time. The World Bank has received a lot of criticism due to the structural adjustment policies that they imposed upon developing countries during the 1980´s. According to Walt (1994:128) 1987 was a turning point for World Bank health policy. The World Bank started up a fund within the health sector to try to make the social and economic effects of their policies less severe. They also signalled that they intended to intervene more and become a key player in

health sector change. “Financing health care: an agenda for reform” was published 1987 where the World Bank clearly showed that they were in favour of trusting the market for financing and delivering health care to the world. Walt means that the publication of this policy document ”provided health sector reformers with the opportunity to inject health finance policy into the framework of conditionally in structural adjustment dialogue” (Walt 1994:129). With the 1993 World Bank report “World Development Report: Investing in Health” a comprehensive approach concerning the health sector financing and delivery was established. But more important, according to an editorial in the Lancet, the report marked a shift in leadership on international health from WHO to the World Bank (Walt 1994:128-129).

The World Banks largest program in Vietnam is the National Health Support Project, which was signed in May 1996. Sida and the Dutch Government are co-financers to this loan. It has three main pillars. The first pillar consists of a program covering 16 provinces in Vietnam. The second pillar concerns support for three disease programs that fight TB, Malaria and acute respiratory infections. The third pillar of the program involves the management and planning capacity of the MoH (Ministry of Health 1999:51).

4 Theoretical framework

Here we present a theoretical framework. It will be used as tool when analysing the empirical findings.

”Transnational Relations would not exist if there were no territorially bound units in the international system, i.e. states” (Risse-Kappen 1995:5). The scientific debate between realists and liberalists has been vivid concerning the role of the state in international relations (Risse-Kappen 1995:5). Realists represent the state centred view and they insist that states are central and sometimes dominant in world politics. Liberalists are society-dominated and view things differently. According to them, the internationalisation of the world have diminished the role of the state as a dominant actor and brought with it transnational actors, whose role has increased in importance in international relations. In ”Bringing transnational relations back in”, Risse-Kappen (1995) argues that the state centred versus society dominated controversy ought to be put to rest. It is not interesting weather transnational relations would make the state system irrelevant or not, but how transnational actors interact with states. Risse-Kappen argues that transnational actors access to states is dependent on the international institutionalisation and of the domestic structure of the state. Since national governments ultimately determine weather foreign societal actors are allowed to enter the country and to pursue their goals, governments also have possibilities to permit or to restrict transnational activities (Risse-Kappen 1995). ”In other words, access should be most difficult in state-controlled domestic structures while it is expected to be easiest in countries with weak political institutions” (Risse-Kappen 1995:25). But easy access does not ensure policy impact (Risse-Kappen 1995:26). Instead it is the transnational actor’s ability to form ”winning coalitions” within the state that is considered crucial for future policy impact. It is thus of decisive importance for the transnational actor to be able to adjust to domestic structures of the target country. If the transnational actor has managed to enter the state their policy impact might be far-reaching. Halpern (1989) argues that Marxist-Leninist non-pluralist systems, characterised by strong states and weak societies dominated by the Communist Party, can be influenced by innovative policy communities. However, in that kind of system the policy community has to be created from above, with the help from a leadership willing to reform present structures.

Taken from the literature of International Relations, Walt uses the terms high and low politics to separate two kinds of policies. High politics is being described as ”the maintenance of core values including national self preservation and the long term objectives of the state”. Low politics are issues not seen as involving fundamental or key questions relating to states national interests, or those of important and significant groups within the state (Walt 1994:42). Walt distinguishes between the possibilities to influence high and low politics respectively. Walt argues that while there is a chance of participation within the “ordinary questions of policy” i.e. low politics, participation can be much more challenging within greater issues or high politic questions because they are dominated by small groups of elites. (Walt 1994:52)

Questions concerning the health sector is normally considered low politics, and they are often referred to as sectional or micro policies. Low policies concern for the most part the responsible ministry. But, Walt also adds, health policy can also be regarded as high politics if the specific policy aims to deal with an arising crisis. A policy can also get high political status if it gets a lot of attention from interests such as the media.

5 Empirical findings

The empirical findings will in this chapter be presented in four different themes. We have chosen this method to try to visualise the complexity of the co-operation between Vietnam and the World Bank, but also to be able to discuss the relationship and the structure within and between the actors. The themes are carefully chosen and they have developed during the process of preparing for and working with the study. As have been discussed in our methodological chapter, we had rough ideas of what themes we wanted to work with before leaving for Vietnam. We also had thoughts and ideas of what structures we would find within and between the actors within the themes. However, we were also open to new factors of explanation that would contribute to our understanding and possibly compose a theme of its own. Our second theme is an example of this. The themes have been presented in a special order. *First* we present a brief overview of the general co-operation between Vietnam and the World Bank. The *second* theme focuses on the complexity of the co-operation between the World Bank offices in Hanoi and Washington. The *third* theme discusses the internal structure within the Ministry of Health. Our *final* theme concerns the co-operation between the Ministry of Health and the World Bank. Our classification of the empirical findings into themes also provides us with the possibility to discuss the co-operation on different levels. We will discuss the co-operation between Vietnam and the World Bank on the general level, but we will also take our empirical findings to a lower level when discussing the co-operation within a specific sector. Each theme will be summarised briefly, and analysed further in chapter six.

5.1 Co-operation between Vietnam and the World Bank

The co-operation between the World Bank and Vietnam is marked with *balance* and agreement. The actors are interdependent.

Vietnam is probably the only country in the world where the World Bank actively with money supports the reform of the banking system, even though that there are no indications today that the Vietnamese banking system will undergo privatisation (Interviewee, International Donor Community). This is an example of how important Vietnam is for the World Bank, and it is a sign of locally adjusted World Bank policy.

According to several interviewees the World Bank office in Hanoi can generally tailor the development model for Vietnam. If this is true for other local offices around the world, or a possibility given exclusively to the local office in Hanoi we do not know. What is evident though is that Vietnam and economic advancement in Vietnam, is important for the local office in Hanoi, but also, and maybe even more so, for the central World Bank office in Washington (Interviewee, International Donor Community). According to the World Bank image it is considered very important to be successful in Vietnam, and the World Bank also sees the possibilities for success as the preconditions are considered to be good here. The World Bank is dependent on successful countries. Some argue that Vietnam constitutes a ”show case” for the World Bank, success cases like these are important for the World Bank's credibility. And of course, it is understandable that the World Bank is in need of good examples after all the negative publicity that it has endured during the last decade.[8] The World Bank themselves admit that Vietnam is an important country. ”As the largest[9] recipient of World Bank concessional lending assistance among all IDA-only countries, Vietnam is one of the Bank's most important clients.” (The World Bank, Presentation of Mr Andrew Steer, country director in Vietnam)

Despite the fact that economic indicators tell a success story with a GDP growth during the 1990s around 9 percent and an inflation rate kept under control, Vietnam is still considered a poor country (Kokko 2001:3). However, the stable macroeconomic situation has placed Vietnam in a relatively strong position because Vietnam is unlike many other developing countries such as Bangladesh and many African states, not heavily dependant upon foreign aid (Tönnesson 2000:264 and The World Bank 2000b:92). 9.2 percent of the state revenue consists of foreign aid and loans. This should be considered as an important number, even though it is not an extremely high amount, when compared to other aid dependant countries. The poverty rate lies between 30-45 percent (World Bank 2000a:17). With such high percentage of the population dropping under the poverty line, Vietnam should have difficulties in rejecting foreign aid and loans. But instead several of the interviewees stress the point that Vietnam is in a position of being restrictive towards the World Bank and other foreign actors. Several interviewees emphasised that all changes in policies always have Vietnamese origin, irrespective of area. Imposing policies on them is impossible. “They would never let us push them around” (Interviewee, International Donor Community). But if Vietnam is restrictive in one sense they are dependent on World Bank presence in another. Vietnam is well aware of what the World Bank presence indicates to other investors and multinational companies. The World Bank is an important speaker towards

[8] For further criticism concerning the World Bank see Mosley *et al*. (1991), Stein (1995), Chossudovsky (1997), and Wade (2001).

[9] Vietnam is after Ethiopia the second largest IDA recipient today. See www.worldbank.org/ida

investors, and their opinions are of crucial value to potential and present investors. A breakdown in the co-operation and a withdrawal of the World Bank would send negative signals to investors and would probably give disastrous consequences for the growing Vietnamese economy (Interviewee, Researcher). Further the World Bank is important for Vietnam since the country wants to be an actor in the international arena. According to the Socio Economic Development Strategy for Vietnam also has intentions of entering WTO in the near future and deepen the involvement and the co-operation with the ASEAN countries (The Communist Party of Vietnam 2001:5).

The World Bank is a relatively new actor in Vietnam, the far-reaching partnership of today dates back only to 1995. The burden of dept is still low, since the Vietnamese reimbursement has not yet started. However, the World Bank's primary source for financing development projects in Vietnam is IDA (International Development Association) loans. IDA provides assistance and long-term loans at zero interest to the poorest of developing countries. The money is a contribution from the governments of the richer member countries, with United States and Japan as the main contributors. Vietnam is the second largest IDA borrower. Thus Vietnam is important for the World Bank.[10] (www.worldbank.org/ida/ida13docs.html) Several interviewees mentioned the relatively recent World Bank involvement in Vietnam in combination with the type of loans they provide, as factors of explanations to why the partnership generally has been and is working well.

It is apparent that there is a mutual need between Vietnam and the World Bank. This interdependence means that both actors are willing to make an effort for a successful co-operation. We were given the impression from both sides that the partnership on the general level is successful.

5.2 World Bank Hanoi vs. World Bank Washington

The relationship between the World Bank office in Washington and the World Bank office in Hanoi seems to be characterised by *imbalance*. The local office in Hanoi answers to the head office in Washington and this marks the co-operation.

It is considered important to be successful in Vietnam according to the World Bank image, as have been discussed in the previous theme. The World Bank has often, especially during the 1990s, been accused of using a

[10] For further information about IDA and history about the World Bank, see www.worldbank.org/ida

general economic model, the Washington Consensus, for every country, without taking into account each country's preferences or unique conditions. (www.brettonwoodsproject.org..)

When in Hanoi, we got the impression that the World Bank had a more flexible attitude. As within the banking system, mentioned earlier, which is supported by the World Bank even though there are no plans for privatisation of this sector. Although there are some basic economic rules, the World Bank office in Hanoi can tailor the development model for Vietnam (Interviewee, International Donor Community). Thus they are apparently not using the ”iron hand” that it has been accused of using in other countries (Interviewee, Researcher).

When we decided to focus on the health sector we got the impression that co-operation was more challenging compared to other sectors where the World Bank is involved. Some interviewees stressed the point that the World Bank did not show much flexibility within this sector. One interviewee thinks that there is a reason to why the World Bank is not being flexible within the health sector and that it has to do both with the central World Bank office in Washington and individual actors. He is convinced that if the local World Bank office in Hanoi would have been given more space to deal with this situation on their own, the problems would have been much easier to solve. According to him the local World Bank office is much more open towards the MoH than the head office in Washington. From Washington there is a great demand of progress, and they demand faster progress than their colleagues in Hanoi do. (Interviewee, International Donor Community) Is there a difference between local and central World Bank thinking? Apparently there are some differences of opinion, since they had to go and ”fight the orthodoxy in Washington”. One source told us that even though he considered the links between Washington and Hanoi to be collaborative and good he emphasised the importance of being concerned with outcomes, like the fact that the poverty in Vietnam has been halved the last ten years, instead of focusing on policy changes. Interviewees emphasised that it appears as if the MoH does not always trust the World Bank Washington. This puts the local World Bank office in Hanoi in a difficult situation. Washington demands fast growth and development at once, while the MoH hesitates to co-operate due to lack of trust for Washington. We believe that the World Bank office in Hanoi find themselves in a difficult situation acting mediator between the two parts wanting to please both. Klitgaard (1991) describes a similar situation from Africa.

> “The minister of finance was caught in the middle. To creditors and aid givers he represented the government and was therefore the breakwater for waves of criticism and conditionally. On the other hand, inside the government he had to report and to some extent represent what the creditors and aid givers insisted upon. He bore bad news to both sides and could

> easily be seen by both as the embodiment of the enemy." (Klitgaard 1991:281)

To summarise, we believe that the local World Bank office in Hanoi is being put in a difficult situation as they try to be more open towards the MoH, at the same time as they are answerable towards the demands of the World Bank office in Washington. There seems to be difficulties between the local office in Hanoi and the central office in Washington, because of the local office's willingness to accept or to be more flexible towards the Vietnamese attitude. Does the imbalance hinder the co-operation between the MoH and the World Bank?

5.3 Structures within the Vietnamese Ministry of Health

The MoH has a low status within the ministerial hierarchy. It is being ranked far behind the MPI and the MoF. The third theme is marked by visible *imbalance* restricting the MoH from influencing its partnership with the World Bank. This theme will also indicate other reasons to why co-operation is considered challenging.

Walt (1994) argues that the MoH is regarded as Cinderella among the ministries, due to the fact that it is frequently being ranked after ministries dealing with defence, finance, foreign affairs, industry and planning. From what we have learned, it is no understatement that the MoH has a low status in the ministerial hierarchy in Vietnam. Ministry of Finance must approve the budget of MoH and Ministry of Planning and Investment regulate the long-term strategies. The low ranking within the departmental hierarchy stems from a number of factors. First of all the MoH is a rather small ministry with a staff of only 300. This should be compared to for example the MPI, which has around 800 employees. (World Bank 2001:65) But much more important is the fact that the MoH is receiving an insignificantly small share of the annual state budget. In developing countries the allocation of financial means between ministries depend on the concerned ministers ability to negotiate for money, that is, his or her "ability to argue for competing claims" (Walt 1994:86) Numbers show how low prioritised the activity of MoH is. 1999 the MoH was assigned 4.95 percent of the state expenditure. This should be compared to the allowance given to the Ministry of Education and Training, approximately 15 percent (Health Statistic Yearbook 2000 and www.mof.gov.vn/chingansach_e/2000.htm). The expenditure is larger on education than on health, which is very unusual. We have no signs indicating that it is due to the Minister of Health's lacking ability to negotiate for a larger share of the budget that causes the low allotment. Several of the persons whom we have talked to do

emphasise the Minister of Health's disability to act in favour of or "lobby" for his ministry.

According to us, low allowance from the state budget can also be considered as a sign of weakness within the ministry. The health budget has also been reduced which has made the MoH weaker and rendered the possibility to co-ordinate foreign actors more difficult (Jönsson 2002:58,97). Several interviewees pointed out the low capacity of the MoH to lead and manage the health sector. One of them emphasised the great importance for health questions to be well represented in the CPRGS (Comprehensive Poverty Reduction and Growth Strategy) discussions.[11] He argues that issues concerning the health sector otherwise will have low priority in these discussions. Our interviewee himself had tried to get the MoH more involved, and to get the ministry to argue more strongly for their issues. He maintains that competent bargaining is absolutely crucial, otherwise the MoH risks being "run over" by other ministries. (Interviewee, International Donor Community) Others have complained about lacking guidelines within the ministry, and expressed co-operation difficulties and frustration when there is no clear strategy to proceed from. Despite these "accusations" there is an existing five-year plan (Plan of Action for People's Health Care and Protection in 2001-2005) with general objectives for the health sector. This document should be regarded as guidelines for the co-operation between the MoH and the donor community, but many of the informants do not find the plan very useful since they consider them indistinct. One of the interviewees talked about the five-year plan as blurry but a welcome "first step" in the right direction and he emphasised the importance of further advancement towards clearer guidelines. He considers the five-year plan as a useful framework but would like to see more consistencies in concrete action programmes (Interviewee, International Donor Community). The World Bank has also commented on the lack of solutions in a Health Sector Consultation. The MoH replied to the Health Sector Consultation and stressed that solutions can be found in the five-year plan, and that the MoH has presented the demanded plans at several meetings with the donors. (World Bank 2001 and Ministry of Health 2001)

A framework for action would make the ministry more transparent to the donors, which in the long run would make co-operation between the various donors much easier. (Interviewee, Researcher) But there are deviant opinions within the donor community concerning the five-year plan. Unlike the other interviewees some sources were optimistic concerning the five-year plan and disagreed with the accusations of it being unfocused. They argue that the five-year plan for the health sector gives a "perfectly clear"

[11] The CPRGS is a highly important document for Vietnam's further development. It is prepared by MPI and is assisted by concerned ministries, with support from foremost UNDP, the World Bank, IMF and ADB.

picture of what measures Vietnam wishes to take within the health sector, and how they should be carried out. They argue that the reason to why representatives within the donor community are being so negative towards this document is due to the simple reason that the five-year plan does not express what the donors really want the MoH to say. (Interviewees, International Donor Community)

Another problem facing the MoH is that it has not, like many other ministries, undergone reform. Its old-fashioned structure makes it inaccessible, which of course renders co-operation between the MoH and the donor community difficult.

A further problem that needs to be taken into consideration is corruption. Corruption and reward systems can be found almost everywhere in the Vietnamese society. Bribes on different levels are a common characteristic of ministries and organisations. Jönsson (2002:105) refers to an audit of government agencies made by the Ministry of Finance, which showed that 30 percent of the state assets have been excluded from the official records. How widespread the corruption is within the MoH we do not know, but several interviewees within the international donor community emphasised the importance of managing the donor money carefully to avoid it ending up in the wrong pockets.

According to Walt (1994), governments are generally segmented, and each ministry pursue their own interests. The MoH in Vietnam consists of one minister of health and four vice ministers, each with a portfolio of areas for which the vice-minister is responsible. (World Bank 2001:65) This inner structure can involve that the vice-ministers are ”fighting about the cake”. Due to the actual structure within the Vietnamese MoH the problems that Walt mentioned above are difficulties that also concerns the MoH. Instead of the ministry as a whole, each minister tries to pursue his or her own interests.

Another issue causing confusion for the international donor community is problems with over-lapping of donor activities. This means that several programs aiming to shift policy away from an arising problem or an acute crisis, are being conducted by several donors at the same time. Or that what one donor is presently working with, has already been seen to by another donor.

A common notion among the foreign experts that we interviewed was that they often felt as if the MoH is only dealing with the donors when they have time. At the end of 1998 there were 179 ODA assisted projects within the health sector. (World Bank 2001:194) It is obvious that the size and the capacity of MoH is too modest to be capable of dealing with the donors

efficiently. The correlation between the capacities of the MoH and the donors therefore seems to be insufficient.

These kinds of weaknesses within the ministry render it difficult to encourage employees to stay within the ministry, especially those with special competence and good qualifications. The role of the civil servants within the MoH is very important, as it is within all bureaucracies. One source expressed the situation very clearly when she said, “it is not considered to be very sexy” to work within the MoH. (Interviewee, International Donor Community) Young and well educated people are not given any responsibilities within the hierarchical structure, and many of them leave for the private sector, where the hierarchy is not as apparent, and where there are much more money to make. Jönsson’s (2002:176) findings confirm our impression of how expatriates experienced working with MoH in Vietnam. Some expressed a rather difficult every day working experience while others found it unproblematic. Those who experienced difficulties said that the problems derived from issues concerning the lack of transparency and frustration regarding working procedures.

To summarise, the inner structure of the MoH makes it difficult for donors to co-operate with the ministry. The low ranking within the ministerial hierarchy, the low budget allotment, the lack of transparency and guidelines for the donors and the corruption create a weak ministry with difficulties managing the demands of the donors.

5.4 Co-operation between Vietnam and the World Bank within the health sector

Even though the general co-operation between Vietnam and the World Bank seems to be working well, there are some specific sectors where co-operation seems to be facing more difficulties. The health sector is considered to be one of those, and the relationship is marked by *imbalance*.

Already in the 1980s the World Bank commented on their future role within the health sector as a complement to the activities of the WHO (Walt 1994:128). In 1993 the World Bank extended their responsibility and argued that the international donor community has a major role and should do more to support the policy formulation of improved health policies and more effective health sector reform programs in developing countries (World Bank 1993). During the last two decades the World Bank has taken a more central role ”as a major financier and as an authoritative source of policy ideas”. (Walt 1994:29) The health sector and health policy formulation are evidently important for the World Bank and they would like the Vietnamese to consult them more on these important issues.

(Interviewee, International Donor Community) Traditionally Vietnam co-operates with other donors for issues concerning health policy, and according to one interviewee there have been a certain amount of annoyance within the World Bank because they feel excluded from these important discussions. In a later discussion a World Bank official somehow confirmed the inconvenience of not being let in to these discussions. He meant that due to the long Swedish tradition in Vietnam, Sweden wants that special relationship to continue, "and the Swedish flag to be flown within the MoH". According to another interviewee, a deliberate choice has been made by the MoH of what donors to consult concerning policy issues, and the World Bank is not among the chosen ones. It is above all the WHO, ADB, Sweden and the Netherlands that the MoH consults for health policy issues and the reason to why Sweden is among the chosen is due to the long Swedish presence in Vietnam and also because of the ideology that Sweden is associated with. (Interviewee, International Donor Community) These do also seem to be the reasons to why the World Bank is not consulted. The World Bank presence is new in comparison to many other donors in Vietnam, and maybe the World Bank is still associated with structural adjustment programs, and its view of the state as a pure regulator. According to one interviewee the MoH has not kept up with the ideological changes that both Sweden and the World Bank have undergone and therefore Vietnam has an old-fashioned view of both of them. There has been a shift of working within the World Bank. Before, they were working with conditions and to give a simplistic picture, this implied that Vietnam was given aid on condition that they carried out policy reforms. The World Bank's shift from this method of working to using more dialogue and showing more flexibility has been very clear. The World Bank's desire to give advise in health policy issues has become more evident while the MoH hesitance of allowing them also has become clearer (Interviewee, International Donor Community). According to several interviewees the MoH chooses among the policy advise given to them, including those from the World Bank. They take bits and pieces of what they find correspond to their future policy plan (Interviewees, MoH and International Donor Community).

The World Bank argues that they have never recommended user fees in Vietnam and that they find the prevailing user fees too high. The opinion at the MoH seems to be different. Even though many MoH officials consider the co-operation between the MoH and the World Bank to be good, there are some who seem to be convinced that the World Bank is arguing for user fees in Vietnam. We got the impression that issues concerning health financing were touchy, and that the World Bank and the MoH could not come to an agreement on this issue. The World Bank and the MoH show difficulties in listening to each other, and tendencies to misinterpret one another. One interviewee believes the differences in opinion concerning user fees to be minor. He questions if the two actors are talking to each

other at all. The actors, MoH and the World Bank seem to have an opinion about each other that is unrealistic, which derives from a lack of dialogue (Interviewee, International Donor Community).

The MoH and the World Bank have both identified health financing to be an important issue where solutions do not come easy. The need to include the poor in the health system is of great importance. Some kind of health insurance is discussed, but the confidence gap is a major obstacle. How will poor people invest their bare funds in a health care system as long as the system is insufficient? It is widely known that even the very poor people with free health cards still have to make an under-the-table payment to get medical treatment.[12] Thus it seems as if the World Bank and MoH share the same view concerning user fees. So why is co-operation difficult concerning health care financing? Is it due to lack of communication? We do not know but something seems to be blocking the process of co-operation.

There is a mutual need of involvement in the health sector. Vietnam is a poor country and the health sector has gone through severe changes especially after the *doi moi* and during the 1990s. The main objective of the World Bank is to reduce poverty. Because of the interdependence it is easy to assume that the co-operation is performing well. We were given indications that this was not the case in every area of the co-operation between the MoH and the World Bank.

To illustrate the co-operation between Vietnam and the World Bank within the health sector the next section will entail an example.

5.4.1 National Health Sector Review

The World Bank enjoys a lot of respect among other donors due to their impressive capacity considering knowledge, efficiency and the economic assets. Because of the prestige the World Bank gets among other donors, they can magnify their influence by inviting other donors to co- finance projects. (Walt 1994:128) One example of this within the health sector is the specific health sector analysis made in Vietnam, named The National Health Sector Review.

Initially the report involved Sida, WHO, AusAID, the Royal Netherlands Embassy, World Bank and the Ministry of Health. Monitoring the Vietnamese health sector is of great concern and we presume that all

[12] A poor girl that we came in contact with had to make an urgent visit to a hospital in Hanoi. The treatment should have been free, but still she had to pay the doctor 50 000 dong ($3) “under the table” to get the treatment she needed.

partners involved considered it important to accomplish a successful report. As has been mentioned before, important changes in the health care system had occurred after the *doi moi*, and it was not fully clear to anyone what the next policies should look like. But instead of a Joint Report, disagreement evolved between the MoH and the World Bank and a number of other donors involved in the project, among them both Sida and the WHO. According to one interviewee the MoH sent approximately 200 pages of comments to the initial World Bank proposal, without getting any direct response (Interviewee, International Donor Community). WHO supported MoH because they considered the comments sent to the World Bank fully relevant. The WHO also sent a large number of comments themselves. Despite major efforts to try to convince them, the WHO choose not to participate in the end. On the cover of the Joint Report it says "in collaboration with the Ministry of Health" which can be taken as a token of dissatisfaction within the Ministry, and that they do not fully support the final report. The MoH is currently preparing a report on their own. According to interviewees, the main reason for the disagreement was that the World Bank consultants did not show enough patience towards the MoH. Vietnam demands strong Vietnamese ownership concerning new policies, and this process takes time. Several parts of the draft report were not accepted by the MoH, nor by some of the donors. The parts that were difficult to find agreement on were parts dealing with health care financing and the role of user fees. In an early draft there were also sections with recommendations, which were universally rejected by the MoH, and thus removed from the final report.

The World Bank critics we spoke to interpreted the challenges concerning the Nation Health Review as an example of World Bank arrogance, which is not working in Vietnam. (Interviewee, International Donor Community) Vietnam will be part of the game, if it is on their terms. The long process of developing the report without reaching full agreement on the content, has led to mistrust between Vietnam and the World Bank. An alternative interpretation could be that this process was necessary and should be considered as an important step towards a better co-operation where a forthcoming report would be more successful.

As discussed in the first theme, Vietnam is in a position of being selective to foreign aid. In the reality however, this does not seem to be applied. According to an interviewee, the National Health Sector Report would never have been published unless conditions for money were involved.

6 Analysis

The empirical findings will be analysed with the theoretical tools outlined in chapter four.

Even though we proceed from the notion of Vietnam as a strong state we understand why Risse-Kappen (1995) argues that the state centred versus society dominated controversy ought to be put to rest. It is not interesting whether transnational relations would make the state system irrelevant or not, but how transnational actors interact with states. It is evident that Vietnam acts like a strong state in their relations to donors, but also that donors are important for Vietnam as a source of information and to define their preferences. ”State actors frequently rely on TNAs to gather information, monitor other states behaviour, define their preferences...” (Risse-Kappen 1995:295). Almost every interviewee stressed the point that Vietnam very cleverly takes ”bits and pieces” among the various policy advise given to them. They listen to donors, including the World Bank and they make it into a Vietnamese soup. This soup does always have Vietnamese origin, but parts of the ingredients are new ideas Vietnam decided to make use of, since they were considered appropriate for their soup. Thus, Vietnam listens to policy advice, including policy advice emanating from the World Bank, if they are harmonious with Vietnamese plans for future state policies. Impact of transnational actors depends on the compatibility of the transnational actors' goals with state policy (Walt 1994:290). This proposition seems to hold up well against our empirical findings in Vietnam. There is no logical connection between the argument that states remain dominant actors in international politics and the conclusion that societal actors and transnational relations should, therefore, be irrelevant.

Halpern (1989) stresses the point that even within non-pluralist Marxist-Leninist systems where the Communist Party dominates both the state and the society, innovative policy communities can be influential. However, in that kind of system the policy community has to be created from above, with help from a leadership willing to reform present structures. If transnational actors should be able to influence policies in states with a strong state structure, they need to form winning coalitions within the leadership of the state that are willing to reform (Risse-Kappen, 1995: 25). Transnational actors' success in influencing Soviet arms control in the end of the 1990s, came once the top leadership decided to listen to the transnational actors (Risse-Kappen 1995:289). Thus, transnational actors

need coalition partners inside the country who either share their goals or can be persuaded to do so (Risse-Kappen 1995:290). On a general level the World Bank tend to work with groups within Vietnam that are positive towards reform. This is a logical choice. It is easier to co-operate with someone who shares your views. The MoH is often described as an inaccessible ministry that has not undergone reform and that is reluctant to co-operate with donors. Perhaps one of the reasons to why co-operation between the World Bank and the MoH sometimes is considered challenging derives from difficulties in finding groups within the leadership that are willing to reform? Perhaps it is difficult to form winning coalitions within the leadership of the MoH.

Access for transnational actors should be most difficult in a state-controlled domestic structure. Transnational actors' policy impact in such a structure can be far-reaching (Risse-Kappen 1995:25). The World Bank was invited to Vietnam, but easy access does not guarantee policy impact (Risse-Kappen 1995:26). It is thus of decisive importance for the transnational actor to be able to adjust to domestic structures of the target country. Vietnam demands strong Vietnamese ownership concerning future policy changes. According to several interviewees these procedures are often very time consuming. The World Bank on the other hand wants results rapidly. The Vietnamese and the International Donor Community both describe them as impatient. Our findings indicate that the local World Bank office in Hanoi try to be more patient and show more flexibility towards the MoH, but they are hindered by the central office in Washington. There are indications that the local World Bank office in Hanoi adjusts to the Vietnamese structure within some areas. The fact that the World Bank supports the Banking system even though there are no indications that the Vietnamese banking system will undergo privatisation is one example of locally adjusted policy. One interviewee in Hanoi said that he had "fought the orthodoxy in Washington" to be able to show this kind of flexibility in Vietnam (Interviewee, International Donor Community). Perhaps the office in Hanoi has understood the importance of being patient and adjust itself to Vietnam, and perhaps there would not have been any co-operation at all if it had not been for the local efforts in Hanoi? Is the local World Bank office in Hanoi to be considered as an actor of its own?

As Walt concludes, there is a possibility to influence health policy within a society but the impact depends on the political system of the country (Walt 1994:52). Her conclusion emanates from her former discussion concerning the possibilities for various actors, national and international interest groups, to influence public policy. Walt distinguishes between the possibilities to influence high and low politics respectively. Questions concerning the health sector is normally considered as low politics, and they are often referred to as micro or sectoral policies. We believe that an important reason to why the World Bank and Vietnam co-operates

successfully on the general level is because the World Bank for the most part does not deal with what is considered to be high- politics issues, such as governance and issues concerning human rights. One explanation to why there are difficulties in co-operation between the World Bank and the MoH concerns differences in opinion concerning future health care financing. Health care financing is probably considered to be high politics in Vietnam. Perhaps it is easier to co-operate within areas that concern Malaria and TB, since there is another international opinion concerning these diseases. Reforming the system for health care financing is presumably considered high politics, since it concerns not only the MoH. Walt argues that it is generally more difficult to influence high political issues since they are dominated by groups of elites. The financing of the health care system does also bring along a normative discussion. It is important to remember the critical voices that concern good governance and human rights. In those areas progress is being slow in Vietnam. Some interviewees thought that the World Bank was not clear enough in their criticism. ”As long as the macroeconomic numbers are doing well, Vietnam gets away with everything” (Interviewee, International Donor Community).

It is interesting to see the MoH as an actor. Within the bureaucracy it is clearly considered to be a weak ministry, with a low ranking within the Vietnamese departmental hierarchy and an insignificant share of the budget allocation. But as an actor facing the donors, the MoH can be regarded as a strong ministry who firmly emphasises Vietnamese ownership in the development process, and sometimes also shows reluctance towards working with donors. (Jönsson 2002) We find it interesting to note that the MoH shows two different faces, depending on whom they are confronting. The MoH can be considered both as a strong and a weak actor.

A Vietnamese political report from 1996 emphasised the need to strengthen the state management role. Vietnam expanded its international commitments through increased co-operation with the Asia Pacific region and the USA. The report from 1996 stressed the point that strong Vietnamese management is necessary to escape negative influence from countries and elements that might cause instability in Vietnam. Further, this report emphasised the importance of achieving high economic growth without weakening the role of the Party. (Tönnesson 2000:255). Vietnam is still acting with suspicion against foreign actors due to previous imperialism (Jönsson 1998:179). Vietnamese ownership is important when discussing policy formulation and changes in policy. Vietnam has a tradition of independence concerning policy making and a hostile attitude towards thinkable imposition by international actors. This can be seen as one of the explanations to why Vietnam makes a point of restricting foreign actors their chances to drive policy. It is considered highly important that all policy changes that occur are Vietnamese, irrespective of area. According to several interviewees, Vietnam has the strength and the determination to

drive policy. Trying to impose policy on them does not work (Interviewee, International Donor Community). Only a handful states can be considered strong, and Vietnam is one of them. (Migdal, 1988). Tönnesson (2000) argues that it is not enough just to analyse the Vietnamese State as an authoritarian "party state" or a "state in transition" from central planning of the economy to a plural capitalist society. "The Vietnamese State is the result of a complex historical process, with many interrupted state-building projects (Tönnesson 2000:256). Confucian values must also be taken into consideration when discussing the Asian state as an actor (Risse-Kappen 1995). Some elites do not learn or choose not to learn from external actors, because the domestic actors' preferences are largely shaped by historically constructed and institutionalised domestic norms (Checkel 1999:33-34). In Vietnam this discussion is visualised in the sense that the Vietnamese people is very proud, where it is of great importance that it appears as if the Vietnamese come up with the idea and is the decision maker, regardless of the actual situation. Imposing ideas on the Vietnamese is therefore ineffective (Jönsson 2002:91). Historical explanations are relevant in this context. Vietnam has long experience of foreign interventions; first thousand years of Chinese rule, then the French rule for nearly 100 years and finally the American War.

7 Concluding remarks

The purpose of this study was to discuss the structure of, and the barriers to, co-operation between Vietnam and the World Bank. Our objective is also to discuss who is driving policy within the health sector. Due to complex relations within and between the actors, we considered it necessary to present a broad picture of empirical findings. We approached the issue with an in-depth method that allowed several factors of explanation.

The general co-operation is marked by consensus. Vietnam and the World Bank are interdependent. Both actors highly value the co-operation, and a breakdown in the negotiations, like what happened in 1997 are not preferable to either of them. Thus, both are willing to compromise to maintain the relationship.

Our findings indicate that the partnership between Vietnam and the World Bank is more challenging concerning the health sector, and particularly in issues regarding health care financing. There are several reasons to why the co-operation is considered challenging. Probable explanations can be found within all four themes presented. To begin with, there seems to be differences in opinion between the local World Bank office in Hanoi and the central office in Washington concerning what amount of flexibility should be shown towards Vietnam. We wonder if this imbalance hinders the co-operation between MoH and the World Bank.

Despite inner structural weaknesses characterising the ministry, the MoH still has the ability to act strongly towards the donors, including the World Bank. The inner structure of the MoH, characterised by a low share of the state budget allocation, lack of transparency and guidelines severely hinders the co-operation between the MoH and the World Bank.

The specific co-operation between Vietnam and the World Bank within the health sector seems to be characterised by an unwillingness to co-operate and in difficulties to listening to each other. We got the impression that there was a lack of communication especially concerning issues regarding health care financing. The MoH and the World Bank do not seem to have great differences in opinion concerning future health care financing, but they still seem to be unable to discuss these issues.

The empirical findings analysed in the previous chapter, indicate that Vietnam is driving policy within the health sector. Vietnamese ownership is

important when discussing policy formulation and changes in policy. Vietnam does not listen to donors' policy advice unless Vietnam considers them to be harmonious with their plans for policy formulation. This emanates from a complex historical process, Confucian values, and Vietnamese pride. (Tönnesson 2000 and Checkel 1999)

According to Risse-Kappen (1995) transnational actor policy impact depends on the ability to form willing coalitions within the state. Additional explanation to why Vietnam drives policy within the health sector can derive from World Bank failure to create winning coalitions within the MoH, i.e., find groups willing to reform.

Vietnam is a poor country, despite development after the *doi moi* reform the health sector is in need of external support. Notwithstanding that our findings support our pre-understanding about that Vietnam drives policy within the health sector, the importance of World Bank cannot be underestimated. Even if states remain dominant actors in international politics, societal actors and transnational relations are still relevant (Risse-Kappen 1995).

8 Further research

Where we started, we also end…

> ”The [World] Bank has assumed a more central role as a major financier and as an authoritative source of policy ideas. These changes raise a number of fundamental questions. How should the mandate for health be shared among those UN agencies currently involved? How will the Bank’s involvement influence pluralism in agenda setting? What are the potential positive and negative implications for having a Bank as the fulcrum of health policy development? The answers to these questions require further analysis of the relationship between international and national policymakers in health.” (Walt 1994:127)

Our empirical findings show that the World Bank does not have that health policy impact in Vietnam that Walt assumes. It would be interesting to see if they do in other countries. Our model can be a useful tool when analysing World Bank health policy influence in other parts of the world. It would be particularly interesting to see if the result would look different in an African country with a weak state structure.

It is interesting to raise questions concerning ownership in the Vietnamese context. The fact that a developing country can be in a position of steering it’s own development is of course desirable and is something that often has been lacking in many other countries. But what kind of ownership is it? Who is representing the Vietnamese ownership? The political and state structure in Vietnam is characterised by strong bureaucracy where the people have little or no say at all (Jönsson 2002:152). Further, as previously mentioned, corruption and rewards are a part of most transactions in the Vietnamese society. Maybe the international donors’ goodwill in providing funds to the MoH makes the present system stronger? Is the international donor community willing to contribute if large sums end up in wrong pockets? This is a very interesting and important discussion. More research is needed to be able to define Vietnamese ownership and its implications for development.

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