

A case study of donor impact on political change at the grassroots in Vu Quang District, Ha Tinh Province, Viet Nam

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Summary

This case study was an input to the Department for International Development (UK)'s research on donor impact on pro-poor social and political change. The objective of the case study was to describe the impact of several donors on political change at the grassroots in Ha Tinh province, Vietnam, from the perspective of both donors and beneficiaries, and how/why this impact came about. Sixty people, including men and women villagers, and authorities at village, commune, and district levels were interviewed over a one-week period in two communes of Ha Tinh province; eight donor staff members were also interviewed. The research examined the impact that donors, including IFAD (rural development project), Oxfam Hong Kong (community development projects), and the World Bank (health and, especially, rural transport projects), had on changes in four aspects of local politics: transparency, accountability, equity, and the local balance of power.

The research demonstrated conclusively that donors are political actors. Donors have led the way in a few areas that have had an important impact on political change at the grassroots: flexible, innovative project design; funding for intangibles such as training; support for new local organizations; strategic support for established organizations; participatory methodology; key sector interventions; and lending through the WU. In other areas they have simply supported Government work that has proven important to grassroots political change, including road upgrading, clinic upgrading and equipment, and provision of credit.

A striking finding is that virtually none of the extensive ways in which donors affected local politics was planned for in project design or mentioned in project documentation. In particular, despite overwhelming evidence that road upgrading has a strong positive impact on local political change, the road donors studied neither anticipated nor perceived any political change-related impact from their projects.

In order to make the shift from accidental to deliberate political actors, donors must first understand political change at all levels, and then study their own impact on those changes. Key is regular implementation of grassroots political analysis as part of program design, monitoring and evaluation. Donors should also consider their comparative advantages, the possibility of new partnerships with Government and, especially, the Party, political capacity building, lessons learned from this and other research about key aspects of local politics, and pursuing a multi-sectoral approach to political change. Finally, they will need to clarify their own political change goals.

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The exchange rate as of June 2003 was approximately US\$ 1 = 15,400 VND.

INTRODUCTION

OBJECTIVES

This Vietnam case study was carried out in support of the Department for International Development (UK)'s (DFID's) research on donor impact on pro-poor social and political change. The goal of the research is to improve DFID's understanding of donor impact on social and political change. The objective of this case study was to describe the impact—whether intended or not—of several donors on political change at the grassroots in Ha Tinh province, Vietnam, from the perspective of both donors and beneficiaries, and how/why this impact has come about.

What this case study did not intend to do. This case study was limited in both time and scope. It did not intend to examine the potential for scaling up of local-level changes, examine donors' work outside the study site, or evaluate donors' success in achieving political change-related objectives and intentions.

ASSUMPTIONS

Donors are political actors but rarely acknowledge this role in project planning, reducing the potential for pro-poor project outcomes. Donors are, *ipso facto*, political actors. Yet this is rarely taken into account when planning and implementing development work. Such an omission is akin to ignoring the cultural or financial impact donors have on beneficiaries. Ignoring such a key aspect of the relationship between donors and beneficiaries will, all else equal, reduce the effectiveness of donors' work. Only by learning more about donors' impact on political change at the local level—intended or not—can donors' role as political actors be taken into account in future development work. Development work that does take into account this role will be of higher quality.

Grassroots political change and macro-level political change are two sides of the same coin; each is necessary for lasting pro-poor political change. The development community now understands that grassroots-level changes in knowledge, attitude and practice are necessary for macro-level pro-poor changes in sectors such as reproductive health or agriculture to be lasting and effective. Similarly, political change on a small scale at the grassroots level is a necessary (though not sufficient) condition for sustainable, large-scale political change at the macro level. Therefore, the findings of this case study, which sought to examine only micro-level political change, are assumed to be relevant to an understanding of macro-level political change.¹

Greater transparency, accountability, and equity, and some power shifts at the local level, are pro-poor.²

Focus

The study sites. The case study was done in three villages of two communes, Huong Tho (Village 2 and Village 8) and Duc Huong (Huong Pho Village), in Vu Quang district³ of Ha Tinh province. It was hoped that the focus on the grassroots level, in particular on a poor area of a relatively poor province, would help to round out DFID's research.

Ha Tinh is fairly representative of Vietnam's provinces. While its Millennium Development Goal (MDG) Index is 0.593, putting it in the top third of Vietnam's 61 provinces for "17 variables that measure various social and governance dimensions underlying the MDGs,"⁴ in terms of poverty alone, Ha Tinh's index puts it among the 12 poorest provinces in the country. Interestingly, the high MDG index is due in large part to Ha Tinh's very high index for gender equity (it ranks tenth in the country). Of note for this research, Ha Tinh has an Effective Governance Index that puts it almost exactly in the middle of the provinces. Annex 1 has details on the selection process for the case study location.

Focus donors and project profiles. Three focus donors and projects/project groups were selected to give a range of sectors and donor types. Some projects had explicit political change-related objectives and some had none, but all project documents had at least one mention of political change as a project intention (see Annex 2 for more information on donors' political change-related objectives).

The focus donors and projects were:

- The International Fund for Agricultural Development's (IFAD's) Ha Tinh Rural Development Project (HTRDP), a 40-year loan of US\$15.4 million which is being implemented in both research communes from 1999 to 2005. The goal is to improve the household income and livelihoods of the poorest rural households in Ha Tinh province and increase their participation in the development process, through establishment of a participatory development mechanism, promotion and diversification of income-generating activities, rehabilitation of rural roads and construction of marketing facilities, and improvement of planning and management processes by each implementing agency.⁵
- Oxfam Hong Kong's (OHK's) community development projects and programs, being implemented in one of the research communes only (Huong Tho) from 1996 to 2003. Several grants total US\$362,521 (covering three communes). The goals are to reduce poverty and inequity and improve the livelihoods of poor people in Huong Tho commune, particularly women and ethnic minorities, with a special focus on food security/incomes, health, education, capacity building, environment, and natural disaster preparedness.
- The World Bank's (WB's) National Health Support Project (NHSP), a 40-year loan for US\$101.2 million which is being implemented in both research communes from 1996 to 2003. The goal is to provide high quality primary health care on a sustainable basis in fifteen of the poorer provinces, including assistance to commune health clinics (CHCs) and district health clinics (DHCs) (infrastructure, drugs, equipment, and retraining).⁶

Though they were not originally focus projects, the WB's Rural Transport 1 and 2 projects emerged from the research as very important:

- Rural Transport 1: a 40-year loan of US\$55 million from 1996 to 2001. The goals were to improve and upgrade access to rural communities and link them to the district and provincial road networks, develop local capacity to improve the level of service of low-volume roads and to maintain them on a sustainable basis, and encourage the development of local contractors.
- Rural Transport 2: a 40-year loan of US\$103.9 million (plus co-financing of US\$26.2 million from DFID) from 2000 to 2005. The goal is to contribute to the Government's poverty reduction program in rural areas by improving the access of rural communities in the project provinces to markets, off-farm economic opportunities, and social services;

developing central, provincial, and local capacity to improve and sustain the level of service of the rural transport network; and fostering the development of small-scale private contractors.

A few other donors also active in the study site were mentioned by interviewees, including Anevdas, a Spanish international non-governmental organization (INGO) that paid for the equipping and upgrading of a commune clinic, Action Aid Vietnam (AAV) which has recently begun district-focused work in Vu Quang including training for credit and savings, the Food and Agriculture Organization (FAO) and the Worldwide Fund for Nature (WWF) which have provided training in integrated pest management (IPM), and some one-time cash or in-kind donors such as the French Embassy.

FRAMEWORK⁷

This case study aimed to examine donors' role in political change at the grassroots. Political change is change in politics. Politics is the work of government, and includes setting laws and policies, erecting a legal framework, planning and budgeting, dispute resolution, service provision, providing safety nets, ensuring personal security and access to resources, protection of rights, setting fiscal and monetary policy, maintaining external relations, ensuring national security, and protecting the environment. On the other hand, the responsibilities of a people to their government include paying taxes or contributing labor, choosing representatives, speaking up and influencing.⁸

The basic social contract that comprises these responsibilities evolves. Political change may be observed as changes in the nature and degree of threats to the social contract, making a government—at any level—more or less effective. Such threats include governmental ineptitude (i.e., short-sighted rather than long-term planning), overly centralized administration, poor incentives, unclear responsibilities, inadequate human and other resources, perceptions of government, power struggles, honesty of local government (i.e., degree of corruption), limited accountability, transparency, legitimacy (formal or informal), and equity (issues of disenfranchisement, discrimination, etc.), and a changing balance of power.

This case study focused on changes in four key aspects of threats to the social contract at the grassroots level: transparency, accountability, equity, and the local balance of power.

METHODOLOGY

The case study sought to prove the hypothesis that "Donors do have an impact on transparency, accountability, equity, and the balance of power at the local level."⁹ A team of three, comprising lead researcher Susannah Hopkins Leisher, interpreter and assistant researcher Ms Nguyen Minh Hanh, and local assistant researcher Mr Le Van Dinh (AAV staff member in Vu Quang), spent seven days in the field, including three overnights in villagers' homes. The team carried out eight focus group discussions with men, women, poor men, and women-headed households using semi-structured interviews. In addition, key informants at village, commune and district level were interviewed from a variety of local organizations, including People's Committees and People's Councils, clinics, the Women's Union (WU), the Red Cross, the Farmers' Association (FA), borrower groups, the IPM Club, donor project management committees at district and commune levels, the Department of Agriculture and Rural Development (DARD), agriculture staff at the commune level, and the Communist Party. Follow-up interviews with local authorities for cross-checking of information were carried out by the local team member in the weeks after the field trip. In total, 60 people were interviewed, including 20 officials (7 at district level and 13 at commune level), 21 women and 11 men (including some village authorities), and eight donor staff members (either in person or via telephone or email).¹⁰ Annex 1 has details about the selection process for interviewees. Relevant documents, including all available reporting on

the highlighted donor projects, were also reviewed. Peer reviewers were Carrie Turk, Natasha Pairaudeau, and Stefan Nachuk, with a collective experience of 30 years working in Vietnam.

Limitations to the research included: (a) the fact that the head researcher was formerly the Vietnam Representative for OHK, one of the focus donors; (b) the research topic, political change, was very sensitive—in fact, the phrase "changes in local organizations" was used in the field instead of "political change"; (c) the research was not linked to an ongoing program so there was no reason for local people and authorities to spend their time with the team. Despite this, they did so willingly, perhaps because they still hoped that a project would result; (d) the time was short, and thus best practice was sometimes not followed in order to reduce time and the sensitivity of the work; and (e) the district was only established in 2000, making before/after comparisons at the district level rarely possible.

Despite concerns at the start of the fieldtrip, local people and leaders had little problem in tracing the causes of political changes they identified.

CONTEXT

This section is paraphrased from Swinkels and Turk 2003:1-4 and WB 2002:1-4.

Vietnam's economy doubled in size during the 1990s, savings rates rose six-fold to around 25% of GDP, exports rose by an average of 25% per year, and Vietnam moved from being a food deficit nation to being the second largest rice exporter in the world. The Government reacted to the challenge of the 1997 East Asia crisis, to which it was particularly vulnerable, by adopting a highly cautious macro-economic policy. GDP growth rates on the order of 7% per year are likely over the next few years.

Economic growth during the 1990s generated significant improvements in living standards. The incidence of poverty was halved from 70% to around 35% and the proportion of the population living in severe poverty fell to 15%. There were widespread and visible improvements in the lives of Vietnamese citizens that continue to the present. Literacy rates reached 92% while infant mortality rates fell to below 40 per thousand.

Between 1993 and 1998 the Gini index remained basically unchanged, and analysis showed that the poor did better than the rich in relative terms. However, these national-level findings mask rising inequalities associated with geography and ethnicity. The gap between rural and urban areas has grown during the 1990s, and inequality between regions has widened, which is related to the uneven pattern of growth across regions.

Since 1998, the Government has begun to take steps to address structural impediments to long-term high quality growth. Recent commitments and announcements have included the Resolution of the Third Plenum of the Party on restructuring of state-owned enterprises (SOEs) (2001), the Resolution of the Fifth Plenum of the Party on promotion of private sector development (2002), the Master Program for Public Administration Reform (2001), the Ordinance Against Corruption (2000), the Enterprise Law which establishes a legal basis for a level playing field for all domestic private enterprises (2000), the Private Sector Action Plan (1999), the Foreign Direct Investment Law (2000), the Poverty Reduction and Growth Facility and Poverty Reduction Support Credit which provide budget support to accelerate reforms in banking, SOEs, financial management, and private sector development (2001), the ASEAN Free Trade Area and Vietnam-US Bilateral Trade Agreement (2001), and negotiations with the World Trade Organization (2002).

The recently completed Comprehensive Poverty Reduction and Growth Strategy (2002) commits Vietnam to full openness to the global economy over the coming decade, and the

creation of a level playing field between the public and private sectors. It emphasizes that the transition should be pro-poor, and notes that this will require heavier investment in rural and lagging regions, and a more gradual reform implementation than is often recommended by international advisors.

Although the policy and institutional environment in macro- and structural policies and in public financial management has improved considerably, reform has lagged behind in the area of governance. Effective public administration and appropriate financial management instruments will be crucial to addressing the other challenges to sustained progress such as poverty and social disparities across regions and ethnic groups, compromises in terms of quality of services (despite the emphasis on increasing access), implementation of the many recent commitments and decisions of the Government (given limited administrative capacity, slow and cumbersome processes inherited from the central planning period, and increasingly local-level implementation of decisions), and the different pace at which reforms are proceeding (for instance, trade liberalization versus reform of SOEs).

POLITICAL CHANGE AT THE GRASSROOTS

CHANGES IN TRANSPARENCY

During interviews, transparency was explained as availability of information about projects and organizations.

The main changes in transparency have been a modest increase in the number and quality of channels for information flow. The range of information channels has long been quite broad, encompassing a variety of meetings, reports, and visits, as well as the postal service. One important new channel is the telephone, which has been especially useful to commune clinic workers. A second new channel is occasional visits by Commune People's Committee (CPC) staff to the province to attend DARD-organized bidding meetings for infrastructure projects funded by IFAD. This channel is particularly noteworthy for two reasons: first, it provides local officials with an informal means of checking corruption (as they learn about project budgets at bidding meetings), and second, it was not an IFAD requirement, but an innovation introduced by the Government-staffed IFAD Provincial Project Coordination Unit (PPCU). It is likely that flexibility of IFAD project design, as well as IFAD's encouragement of participatory techniques, facilitated the adoption of this innovation.

The quality of information channels was frequently low in the past. Documents, for example, often arrived at the clinic too late to be useful, and few people came down from the district because transport was hard and distances (to the old district center) great.¹¹ Moreover, channels were primarily one-way, from higher to lower levels. Channel quality has improved in recent years for two reasons. First, there is now more timely receipt of written information, due to the upgrading of the road and the designation of a new district center in 2000. Second, there are more frequent visits by officials from higher levels (district and even province). A variety of factors have influenced this change. Upgrading of the road made visits cheaper, faster, and easier. The creation of a new district—Vu Quang—and the designation of Huong Tho as a poor commune brought more attention to the study site, in the form of staff numbers, development dollars, and research, all of which increased visit numbers. The burgeoning of training courses starting in the mid-1990s (funded by both Government and donors) and, ironically, a malaria epidemic in 1998 both increased local officials' visits to the study site.

There has also been a modest improvement in financial transparency. The Grassroots Democracy Decree¹² notwithstanding, there has been and continues to be generally low awareness on the part of both villagers and local authorities of budgets for work done in their

areas and sectors—whether funded by donors or Government. For instance, clinic staff knew nothing about the district's health budget. Work that is highly valued by local people is not necessarily financially transparent. As one man explained, "The people only know that they have received assistance; we don't know how much the budget is."

Nevertheless, financial transparency has improved somewhat for two reasons. First, with the advent of donor and Government infrastructure projects in the mid- and late-1990s, some budgets are now selectively disseminated, thanks to both donor ways of working and the Grassroots Democracy Decree. Prior to this period, there were no externally funded infrastructure projects in the study site, and it is infrastructure projects particularly that both donors and local people seem to associate with knowable budgets (in contrast, for example, to district and commune annual and five-year budgets). Some donors may help to perpetuate this association of budgets with "products" by revealing only their budgets for infrastructure, rather than for such intangibles as training. As one donor staff member admitted, "We didn't think it was necessary to make [training budgets] public."¹³

The second reason for some improvement in financial transparency has been the trend toward devolution of financial management to ever lower levels. The lower the level at which money is managed, and the lower the level from which local contributions are made, the lower the level to which financial information penetrates. For instance, one CPC staff member knew the budget for construction of the CPC building because, he explained, it had a local contribution and a budget approved through the commune People's Council; he also knew immediately the budgets for an OHK-funded dam (which required a significant local contribution—the labor equivalent of 17% of the total cost of the dam) and the 2-story Asian Development Bank (ADB)-funded school (which included a substantial local cash contribution). On the other hand, he was ignorant of the WB road budget, explaining that it "has no real local contribution, just [sic] agricultural land and gardens."

Box 1: Variables that determine the financial transparency of a project

- The type of project. "Product projects" are more likely than "process projects" to have well-known budgets. Several villagers explained that they know the OHK-funded dam budget because "the work has a product", whereas they do not know the budget for OHK-funded training courses because such work "is in a variety of areas and is more complicated."
- Who gets the goods. When people receive project "goods" personally, they are more likely to know the budget.
- Who gets the money. When people receive money personally, they remember the amount, even years later. For example, trainees recalled clearly that they had received 10,000 VND per day from an FAO training course in 1996.
- Who attends what meetings. As mentioned above, commune officials are now periodically invited to the province to attend bidding meetings for IFAD-funded infrastructure works, and it is at these meetings that they learn about budgets.
- Personality. Some people may just be more interested in financial information.
- The understood purpose of publicizing budgets. Some donor or Government staff may feel that the purpose of budget publication is to reduce corruption, and since corruption is more common with infrastructure projects than with training, which usually involves signed contracts with trainers, infrastructure budgets are the ones that "should" be made public.
- Possibly, the deliberateness of a donor's attempts to publicize a budget. However, even when organizations go out of their way to try to ensure financial transparency, there are often no lasting results. Villagers' memories may dim with time, or they may use selective recall as a way of conveying their dissatisfaction with a particular project (making reliance on recall as a tool during political analysis problematic).

CHANGES IN ACCOUNTABILITY

Accountability was explained during interviews as giving feedback to authorities and organizations.¹⁴

Accountability has improved in recent years, the primary change being greatly increased ease of feedback. First, there is a closer relationship between villagers and authorities, and between authorities at different levels. Villagers remember that in the past, whenever they visited the commune, they were scared because they were not used to leaving their villages, and didn't know the CPC staff. Now, they leave their villages frequently, as the upgraded road has simplified travel, while a wide range of study trips and training courses provides new reasons to travel. In turn, district staff visit villages more often because there are more Government and donor projects to monitor. This task is facilitated by a gradually increasing budget and staff. Greater exposure of local officials to the outside world where people are better off also inspires some of them to work harder to improve local livelihoods, in part through better knowledge of the grassroots. Party slogans and policies further support the increased exposure of villagers and officials to one another.

Second, because organizations are (perceived as) more responsive to feedback, people and authorities have increased confidence to make recommendations. Organizations' improved responsiveness is itself the result of several factors: improved roads, which make positive responses to requests for aid from higher levels both more feasible and more frequent; better-equipped clinics, which are then better able to "host" the requested aid on site; the classification of Huong Tho as a remote commune which has given it priority for many types of aid; and increased experience, age, training, and hence respect, of staff.

Third, villagers, especially women, have greater self-confidence in speaking up. Training courses, by increasing women's knowledge of agricultural production, have helped transform many women into the chief household breadwinners, while INGO ways of working such as staff training in working respectfully with villagers, and consistently involving villagers in meetings, training courses, and planning and design of projects, have made an important contribution. Fourth, increased knowledge and awareness on the part of both women and authorities, which has come about in part because of training, has made feedback easier. Better roads have contributed as well, increasing the number of trips women make out of the village and increasing their attendance at meetings. Fifth, the logistics for feedback, including the already-mentioned road, as well as telephone service and a closer district center, are much more convenient. Sixth, as is mentioned below, there is now more feedback from lower levels, which seems to impel at least some officials to feed back in their turn. Finally, policies and practices of the Government and Party, such as the 10-year Hunger Eradication Strategy (November 2000) which "encourag[es] people's participation in poverty reduction,"¹⁵ have facilitated feedback.

It is not surprising, given the increased ease of feeding back, that there is also a larger quantity of feedback, according to those who are the recipients: local authorities at village, commune and district level. In the health sector, this is due primarily to the fact that according to clinic staff, there are simply more people coming to the clinics for treatment than there used to be, and clinic visits are local people's primary, albeit informal, opportunities for feedback.¹⁶ Perhaps the most important reason for more clinic visits is that people's health awareness has increased greatly, and with it, people's perception of their own health needs. Greater health awareness has come about as a result of media- and health worker-driven propaganda campaigns, in particular the Government's Family Planning Propaganda Program (FPPP), as well as the upgraded road, which facilitates the flow of information and people, and the improved economy, which has made it more possible for people to pay attention to their health needs. In addition, visiting the clinic is now easier

from a time and money perspective, in part, again, because of upgraded roads, and newly equipped and upgraded clinics are now relatively more attractive to potential clients.

While some local authorities stated that feedback in the form of complaints has actually decreased, due to the improved economy and the increase in assistance available to villagers, others argue that any decrease in the volume of recommendations and complaints has been accompanied by a shift in their type. People now expect a higher quality of facilities and services at clinics than in the past,¹⁷ and in some cases feedback is now active rather than reactive.

There has also been an increase in the number of channels available for feeding back. New channels include the telephone, a monthly reporting form for IFAD borrower groups that includes a space for writing recommendations, and, to a much lesser extent since it has happened only once (though was planned to be an annual exercise),¹⁸ participatory rapid appraisal (PRA) exercises that allow villagers to prioritize, by voting, works to be carried out under the IFAD project. The CPC head explained that the PRA was more specific, logical, flexible, community-based, and responsive to the needs of the local people than the Government's 5-year plans, and helped the people monitor and make recommendations for construction in their areas.

Box 2: Unsuccessful feedback channels

Several channels mentioned in donor documents or by Government were not mentioned by villagers, such as meetings planned by the World Bank's Rural Transport 2 project explicitly for "communes [to]...complain to [project management] about the proposed program",¹⁹ village meeting minutes, which according to District People's Committee (DPC) staff are often sent to the CPC for resolution of problems, and even to higher levels, and OHK's PRA work in designing programs, which was intended to have "a far-reaching impact to other programmes by replica[ti]on of] its participatory methodologies."²⁰

Box 3: Continuing limitations to accountability

Chief among the limitations is the need that feedback fit within a system, whether formal or informal. Villagers who want to complain to, or about, a staff person or organization need to know how the person or organization fits into the "system". On the other hand, if a topic does not fit within an organization's mandate, it is difficult for the organization to address it. On a personal level, as one official explained, "I only manage [deal with] those things for which I bear responsibility."

Another important limitation is the failure of feedback to make change happen, which dampens people's enthusiasm for giving feedback. People provided two main explanations for the lack of a positive response, the first being that higher levels "must not have received our request yet," and the second that there is not enough money available for Government to respond as desired.

Other limitations to increased accountability include:

- Decision-making power that is retained at higher, even donor, levels, effectively negating local feedback.
- The continuing exclusion of women from some meetings, or participation of women but only because men "think there is nothing to gain by going themselves."²¹
- Villagers' lack of clarity on the process of feedback and who has decision-making authority.
- Local people's unwillingness to feed back, or to feed back sincerely, for a variety of reasons (the cultural unacceptability of criticism, failure to make change happen, the belief that feedback is allowed for form's sake only, the practice of "just saying yes to let it go," etc.).
- Lack of transparency. How can villagers hold the leadership accountable for a budget about which they know nothing?
- Breaks in the feedback chain. For example, the District Women's Union (DWU) Chair says that village WU meeting minutes are always sent to the Commune Women's Union (CWU), and minutes of the CWU to the DWU, yet also explained that "the WU at different levels...considers these opinions [that are brought up by members] to see if they are proper or not. If they are

proper enough, these opinions will be brought up in meetings at higher levels."

- Insufficient feedback channels.
- Poorly planned or organized feedback meetings.

CHANGES IN EQUITY

Equity was explained during interviews as equal access to services.

Complex procedures for borrowing money, limited sources, and lack of preference for poor women borrowers all restricted access to credit for women and the poor prior to the late 1990s, even after the establishment of the ostensibly poverty-focused Vietnam Bank for the Poor (VBP).²² Getting bank loans required travel to the district center (40 km by bicycle one way) and complicated paperwork, including a complete personal file and an ID card. The VBP was established in 1995 with a mandate to lend to the poor.²³ It had an almost immediate impact on loan availability in the two communes, yet most women—especially poor women—were still effectively excluded. At first, VBP loans were either made directly or via the FA. The procedures for applying for a loan were still very complex. To get the necessary papers, many different organizations had to be consulted. Potential borrowers still had to travel to the district center to demonstrate they had collateral before the VBP would approve the loans, but roads were bad, making travel difficult. Low education levels and lack of training meant people didn't know how to use the loans effectively, and no one knew whom to ask for guidance. Until 1997, according to one commune leader, the CWU had not even heard of the VBP.

Lending through the WU in the late 1990s gradually increased the access of women, including poor women, to loans. In 1997, the Huong Tho WU received its first VBP funding for loans for poor women. Between 1998 and 2000, the VBP expanded its experiment of lending through the WU in the two communes. VBP loan procedures via the WU were simpler than those via the FA. Poor households were nominated in village meetings to receive loans; the list of nominees was then sent to the VBP and the VBP sent its agreement to the CPC, so no travel to the district was required.

The VBP had chosen to begin lending through the WU both because of a shift in its own policy (around 1998 it began to place greater emphasis on the poor) and in response to requests from the Huong Tho commune's village WU leaders which "had proposed their aspiration [to borrow from the VBP] to the DWU" who passed the request on up. The VBP may also have been responding to the high repayment rates obtained by the WU in other districts of the province, where it was managing several INGO credit projects.

In 2001/2002, the WU began to receive credit from IFAD as well, with very simple procedures. The borrower group head completes all paperwork, and the husband or wife signs. The group provides a "trust collateral." The group head then personally delivers the loan to the borrower's house. IFAD and VBP loan funds have very different characteristics: the IFAD interest rate (0.9%) is roughly double that of the VBP, but procedures are easier: women only need to submit an application through their borrowers' group, whose head takes care of all the paperwork. IFAD loans come with a Risk Fund and training, but VBP loans tend to be larger and for a longer term.

IFAD chose to lend through the WU rather than the FA largely to ensure gender equity, though the WU's success with other INGO credit programs in Ha Tinh also influenced its choice.²⁴ Although most, if not all, WU members are also FA members, so women technically have access to FA loans, it is loans made through the WU that have women as signatories, giving women legal control over loan funds as well as building their self-confidence. The FA typically has male heads of households as the actual loan signatories.

According to IFAD project staff, 100% of IFAD loans are to women (though a CWU staff member implied that either husband or wife may sign an IFAD loan agreement).

Only a few years after the VBP had started channeling loans through the WU in the two communes, it stopped. The Huong Tho and Duc Huong WU now no longer manage VBP loans. As the DWU chair explained, "that's [now] the job of the FA of the two communes." She supposes the VBP is afraid that its loan funds will get "mixed up" with the IFAD loan funds that the two CWU now manage. CWU leaders agreed that it would be difficult to manage both sources. The DWU is also concerned that allowing some CWUs to have access to both VBP and IFAD loan funds would in effect reduce the loan funds available to communes not within the IFAD program—hence, it decided that IFAD communes "may no longer receive VBP funds." Both the DWU and the two CWU are certain, however, that if they asked, the VBP would provide them with more loan funds.

The limited time available for the fieldwork required that a simple proxy be used for equity of credit services: availability of loans for women. It is debatable, though, whether an increase in more convenient loan sources reserved for women, especially poor women, actually represents improved equity in provision of credit services. What percentage of poor women were actually loan recipients? Were they placed in positions of unbearable indebtedness? These are important questions that were unanswered by the research team.

Prior to 2000, there was limited access to training for villagers, especially women. Training was only provided for key people or local authorities such as mass organization (MO) staff who were then responsible for disseminating what they had learned to other villagers or MO members. But as men in one village explained, "Whoever doesn't go, loses out."

Since 2000, the number of training courses has increased greatly, and training is provided at lower levels and for more people, particularly women. In part a response to the establishment of Vu Quang as a new district, by virtue of which it is prioritized for all types of aid, both Government and donors are now providing a wide variety of training courses in agriculture and IPM, health, gender, and other sectors, for villagers and local leaders. Some training courses are now provided for all villagers and held at the village.²⁵ As one villager described it, training has now been brought to each individual—and more often, those individuals are women (due in part to Government and donor policies which prioritize women for training). On the demand side, it is now much easier for villagers to attend training courses: upgraded roads make travel more convenient, and the improved economy has meant women no longer need to spend the bulk of their time going to the forest to harvest wood and other products; they are able to spend some of their time on training instead. Loans from the WU have also, by improving women's livelihoods, freed some of their time for training.

The quality of training has also improved since 2000. Thanks in part to donor, Party, and province policies on improving training methodology, training methods are now more suitable to the people, helping to ensure they learn more from courses. Before 2000, only general instruction was provided, and few materials were used, whereas now, specific instructions are given. More training materials are used, and trainers spend more time to help local people understand. Instructors' qualifications are now higher, and there are more instructors to go around. Local authorities now help to ensure that training is well-organized in cooperation with different branches and levels from provincial to local. Finally, training topics now fit better with local needs.

Greater impact from training courses is now possible. Before, people lacked trust in the quality of the new plant varieties such as rice, and had a strong bias for the old varieties. Increased knowledge from training courses has helped people to accept the new varieties. In

particular, direct training for women as well as men has resulted in wider application of training knowledge. In addition, with the greater availability of capital since the late 1990s, people are more able to implement new ideas from training courses.

Increased access of women to training has helped increase women's access to credit.

First, through training courses, the skill of both women and the WU has increased, thus improving their capacity to manage loans, encouraging others to trust women more in the use of loans and the WU more in the management of loans, ultimately increasing the amount of loan funds channeled through the WU. Second, women's self-confidence has increased in direct measure to their increased knowledge, resulting in more women who "dare" to borrow and fear business losses and repayment problems less.

Box 4: For the poorest of the poor, it's the same as it ever was

Improvements in equity notwithstanding, the poorest of the poor are still left behind. For example, the IPM Club, started by OHK in 2002, was rated by one men's group as the most important agriculture-related organization in their village; though its membership is open to all, it still effectively excludes some of the poorest villagers, who are too old, lack labor, or have no time to join the club each week. Another example is IFAD loan funds. IFAD loan application procedures via the WU are fairly simple, possibly making access for poor women inexperienced in borrowing easier.²⁶ However, because the CWU is "held responsible by the Bank and the Project Micro-Credit Development Board [PMCDB] for...[IFAD] loan recovery, [there is] enormous pressure on WU staff who then tend to target only those women who are members of [the] WU and have some visible assets which can be disposed of...in case the borrower defaults. The very poor women, poor women-headed households and poor unmarried women with few assets are being bypassed."²⁷ As only about half of the women in the two communes are WU members, at most half of a commune's women are eligible in practice for WU-managed IFAD loans. Moreover, even when poor women are prioritized, many of them still do not dare to borrow.²⁸

CHANGES IN POWER

Power was investigated during interviews by asking about which organizations and people are most important or useful to villagers, and why.

There are more organizations active now at the village level, providing more choices for local people seeking services such as credit or training. This may have the effect of reducing the power of some individual organizations over village life and service delivery. In one village, for instance, three new organizations (the IPM Club, the VBP, and IFAD village savings and credit groups (VSCGs)) appeared after 1995.

New organizations, both Government and donor-initiated, have emerged as among the most important to villagers, providing much-wanted services. In all three villages visited, relatively new organizations were rated as either the most important, or among the most important, either overall or for a given sector (such as health and agriculture).

- One men's group identified the IPM Club, established in 2002 with the assistance of OHK, as the most important agriculture-related organization in the village. This is particularly striking when considered in light of a comment by the 1999 participatory poverty assessment (PPA) team in Ha Tinh: "in this 'heartland of the revolution' a fierce loyalty to its [official] institutions appears to be maintained."²⁹ 73% of households in the village have club members, and over 60% of members are women. Membership is voluntary. The club has basically replaced the Cooperative as the forum for farmers to meet and share their experiences; it is also a center for agricultural experimentation.
- In one village, the important organizations have changed completely since 1990. Now, according to a men's group, there are several important organizations, including the FA,

the Red Cross, the VBP and IFAD (of which the last two are new), but in 1990, there was just one: the Cooperative.

Why has the Cooperative, though it still technically exists, been eclipsed in importance by other organizations? As part of the shift to a market economy, Government loans to the Cooperative stopped in 1986, and all Government financial support to the Cooperative in 1990. At the same time, all the Cooperative's roles except management of production have been taken over by other organizations. The FA and the Red Cross both have a focus on the poor; the FA, Red Cross, and IFAD provide training and/or emergency assistance. In addition, the FA and the VBP provide a new, greatly-valued local service: credit; while IFAD provides infrastructure.

- The Family Planning Propaganda Program (FPPP), which became active in 1996, was one of the two organizations rated as most important in health by a women's focus group. It is implemented by a variety of people and organizations, including the WU, village health workers, the clinic, the CPC, and commune-based family planning workers. It is important because it has had a clear positive impact on the previously high birth rate, thus also helping to reduce the number of malnourished children and improve livelihoods.

How has the FPPP emerged as one of the two most important health organizations, rivaling the clinic? Before 1994-5, no one was in charge of family planning (FP), no FP propaganda team visited the village, and there were no contraceptives provided at the clinic. While there had been a policy on integrating the FP activities of different organizations since 1987, it wasn't implemented. In 1994, village health worker positions were established but a budget was still lacking for implementation of the policy. Only in 1996 were a budget and mechanism finally in place for integration of FP activities.³⁰

New organizations sometimes "fit" better. While both IFAD and VBP loans are greatly valued by villagers, in the end, a WU representative described IFAD loans as "fitting better" with the needs of local women: even though IFAD has a higher interest rate, procedures are much easier, and repayment is in installments rather than once for all interest and principle, as with VBP loans.

Some old organizations have become more powerful, in large part because of money. The Red Cross, for example, was able to take over the emergency aid function of the Cooperative because it had received capital and other assistance from outside,³¹ and because it is able to respond quickly in a disaster. Though the Fatherland Front also plays an important role in directly supporting local people in emergencies, it does not have capital so plays "only a spiritual role" in supporting people and other mass organizations. A more dramatic example is the strengthening of the WU as a result of IFAD funding. Before IFAD began lending through the WU, it was very difficult for the WU to attract new members. Now, with the lure of training and capital, the WU doesn't need to convince women to join—they ask of their own accord. The improved economy and increased awareness of women are also credited with the WU's increased membership roster. Increased membership is significant, explained the DWU leader, because it means the organization's activities are considered to be strong. It also means the organization is able to reach more women and thus help improve their lives. Finally, being strong means the WU is better able to implement the policies and guidelines of the Party.

Old organizations are more trusted, with a potential impact on accountability and equity. Before 1996, for example, the Huong Tho clinic had no equipment or medicine, and women did not trust it. Since then, it has received donor support, particularly much-needed renovation and equipment from Anedvas, a Spanish INGO. As a result, women now trust the clinic and thus visit it more often, thereby increasing the opportunities for informal feedback.

In another example, a spillover effect of IFAD's choice to channel funds through the WU may have been an increase in VBP loans to the WU (presumably in non-IFAD communes). The DWU head explained that before IFAD began lending through the WU, the VBP didn't believe that women could repay principle or interest, but since then, the VBP has seen that the WU is able to manage IFAD's loan funds very well, and to get timely interest payments.

DONOR IMPACT ON POLITICAL CHANGE

Some donors have led the way on political change in a few areas:

1. **Project design** Through flexible project design and the encouragement of creative implementation, donors pave the way for Government innovations such as inviting commune officials to attend province-level bidding meetings. Through project design that intentionally avoids the shortcomings of Government projects, access to project benefits increases, and the local balance of power may be swayed from old to new organizations. In credit projects, donors can ensure easier procedures for loan applications, provision of training for lenders, and prioritization of poor women for loans; in training projects, better training methodology, more appropriate training topics, more qualified trainers, training at lower levels, and prioritization of women for training courses. Simple innovations in reporting formats, such as space for comments, can increase the possibilities for feedback.
2. **Funding for intangibles, especially training** Through committing money to such intangibles as training, study trips, and exposure visits, donors help to increase contact between local officials and villagers, increase the exposure of local officials to the outside world, and, when training is focused on the right topics and uses appropriate methodology, increase the knowledge and self-confidence of both villagers (especially women) and local officials. This can in turn make feedback easier and thus more common, and increase the willingness of women to borrow, as well as of lenders to lend. Government tends not to value training as highly as infrastructure, despite its high potential for a positive impact on equity.³² For example, Ha Tinh province has been reluctant to spend IFAD money on training, despite an ample sum available in the project budget, in part because IFAD has provided the money as a loan rather than a grant. Spending loan money on training rather than a "product" such as infrastructure is often seen as a waste of resources.
3. **Support for the establishment of new (albeit informal) organizations at the village level that fill locally valued functions**, such as the IPM Club and VSCGs, can shift the local balance of power by providing villagers with choices about where to get needed services.
4. **Strategic support for established organizations** Funding for Red Cross disaster relief, for example, or for credit and training provision by the FA and the WU, or for equipment for the clinic, increases organizations' prestige and therefore their power, and may indirectly lead to even more funding from other (including Government) sources. At the same time, such support *ipso facto* reduces the power of other established organizations (such as the Cooperative).
5. **Donor methodology** Participatory ways of working can increase villagers', especially women's, self-confidence, thus making feedback easier. New approaches such as PRA exercises can provide new feedback channels. Awareness raising about successful projects, such as credit, can boost the reputation of project partners such as the WU, giving them greater access to Government resources (VBP loan funds).
6. **Sector interventions that fill gaps in service delivery** by formerly powerful organizations at the village level, for instance infrastructure and credit services that the Cooperative was not able to provide, will shift the local balance of power.
7. **Lending through the WU** While Government also encourages lending through the WU, in many places INGOs have led the way with their willingness to invest in the organization. This has led both directly, via INGO-funded loans, and indirectly, via

awareness raising about the WU's successes in loan management, to greater access to loans for women. It may also have encouraged the VBP to entrust the WU with management of loan funds.

Several areas in which donors have had an impact on political change at the grassroots are already a focus of Government work. At best it could be argued that donor money has increased the scale of impact in these areas—more roads are being upgraded because of WB funding so more villages and communes benefit from improved transparency, for example. But these are not donor-led initiatives.

1. **Road upgrading and construction projects**, albeit non-transparent and top-down, enable faster, easier and cheaper movement of people, goods, and information, thereby improving the quality of information channels, increasing ease of and opportunities for feedback (in part by simply bringing people together more often), making organizations more able and likely to respond positively to that feedback, and strengthening people's, especially women's, ability to take advantage of such services as training. This is not to say that non-transparent and top-down is a desirable methodology. Indeed, the research showed that the pro-poor political impact of road upgrading projects could be enhanced by add-ons such as ensuring commune officials are invited to attend bidding meetings at higher levels, which can lead to increased transparency (as happened in the IFAD project). However, it does beg the provocative question of whether, from the perspective of political change only, infrastructure projects with expensive components such as international technical assistance intended to introduce participatory methodology, for instance, are cost-effective.³³
 - Government work: Vietnam's Comprehensive Poverty Reduction and Growth Strategy (CPRGS) prioritizes investments in rural roads in poor areas.
2. **Clinic upgrading and provision of equipment** which encourages more people to visit the clinic, thus helping to make more information available to clients and giving greater opportunities for informal feedback, as well as increasing the likelihood that feedback can be addressed directly at clinics.
 - Government work: Vietnam's CPRGS prioritizes access to commune clinics for all rural dwellers.
3. **Credit projects** which help to increase equity of access, strengthen borrowers' self-confidence, making feedback easier, and increase income, thereby increasing women's status, freeing up their time for other activities such as training, and making implementation of training knowledge possible.
 - Government work: The establishment of the VBP which aimed to provide credit to the poor.
4. **Internal policies** designed to improve training methodology and targeting, thereby improving access to training.
 - Government work: Province and Party policies prioritizing better training methodology and training for women.
5. **Experiments in financial devolution** that sometimes increase financial transparency.
 - Government work: Decree No. 28 on decentralization (2000); experimental decentralization of Program 135 in Tuyen Quang province.
6. **Development projects of any type**, which bring an increase in information flow, an increase in opportunities for people and local authorities to interact and thus provide feedback, and, occasionally, publication of budgets.

Box 5: Ambiguity of political impact

Seemingly pro-poor political changes brought about by donor work were sometimes ambiguous in their impact on the poor:

- The equity implications of essentially forcing the CWU to choose between IFAD and the VBP as a source of loan funds are unclear.

- While the wells provided by OHK to the poorer people of several villages probably had an overall positive impact on equity (in access to resources), the allocation of limited funding for the wells may not have been fully equitable. An OHK staff member gave the example of two hypothetical households equal in poverty, one of whom has more relatives in the village, and one fewer. The first household will likely "win" a well in a vote taken at a village meeting. Ensuring 100% equity in allocation of scarce resources would require the heavy presence of (presumably neutral) donor or Government staff to facilitate the process, but this could have a negative impact on empowerment of villagers.
- The equity and accountability benefits of IFAD's support for training on credit and gender may have been jeopardized by the DPC, which according to a DWU staff member manages funding for training and is responsible for inviting people to attend the courses; she charged that few attendees are women.³⁴
- Though roads have clearly been a very important factor in political change, an important question is the degree to which the poorest, with their relative lack of laborers, money, health and time, can benefit from upgraded roads.

In some ways, the very donors that help to increase equity in some areas may inadvertently end up compromising equity in others. For example, through its credit activities with the WU, IFAD has contributed to increasing equity in access to loans for women. Yet in its infrastructure projects, IFAD's impact may be to reduce equity. According to IFAD's project agreement, local people must contribute 10% of the cost of IFAD-funded construction works (the goal being local ownership and sustainability of the works). A commune head stressed that local people find this to be very difficult. However, he continued, for construction of the school "it is okay since the students can pay." What are the equity implications of students paying this 10%? Research all over Vietnam shows that the poor find school fees and "contributions" extremely burdensome, and that for the poorest, higher contributions may mean exclusion of at least some of a family's children from school, or sending them to school late for their age.³⁵

Impact by donor.

- **IFAD** appears to have had the broadest and most balanced impact on political change of the donors studied. Both its wide range of project activities, including road upgrading and other infrastructure works, provision of credit through the WU via the establishment of VSCGs, and training, and its project design and methodology—flexible, appropriate to local conditions, innovative, and participatory—contributed to pro-poor changes in all four areas of politics studied: transparency, accountability, equity and power.
- **OHK**, with its more limited scope of activities, seems to have had more of an impact via its training activities and policies, though its methodology—participatory, somewhat experimental in terms of financial management, and supportive of new local organizations—was an important factor as well. It too had an impact on all four areas of politics studied.
- **The WB's transport project**, though it had just one activity—road upgrading—had, as has been shown, a dramatic effect on transparency, accountability, and equity.
- **The WB's health project** had the smallest impact on political change at the grassroots. Through clinic upgrading and provision of equipment, transparency and accountability were improved, and the balance of power may have shifted somewhat. Yet some of this impact may in fact be due to the Spanish INGO Anevas which carried out exactly the same activities with, apparently, more success. Further, reports from local people and authorities that clinic upgrading resulted in an increase in the number of sick people able to be treated at the clinic³⁶ are in striking contrast to the statistics supplied by the head of the district hospital, which show that the number of people who came to both commune clinics for health checks has declined annually since 2001 by up to 50%.³⁷

Donor type, methodology, and stated goals are not good indicators of the grassroots political impact of projects. The research showed that macro-focused multilaterals such as the WB, with traditionally top-down methodologies, had just as much grassroots political

impact—albeit unintended—as NGOs such as OHK which work primarily at the grassroots level using participatory methodologies. Further, donors with explicit political objectives, for example IFAD which aimed to “increase the participation [of the poorest rural households in Ha Tinh province] in the development process,” had no more impact on local politics than donors which ignored the potential political impact of their projects, such as the WB.

It is striking that despite the extensive political impact of all focus donors in the study site, virtually none were planned for or even mentioned in project documents.³⁸ OHK predicted that involving women in training courses and study trips “will help give women more confidence to speak out their thoughts and their needs,” and that “being targeted for training will give women opportunities to [have] access to and control over resources” and “strengthen their role and status,” both of which predictions were borne out by the research findings (see “Funding for intangibles” and “Donor methodology” above). IFAD predicted that “Women’s status in target households will be considerably enhanced as they will be seen as providers of significant income to the household,” which again was borne out by the research findings (see “Credit projects” above). Finally, the World Bank mentioned that “Improving roads will provide rural communities with access to economic and social opportunities such as...information” (see “Road upgrading and construction” above).

In particular, despite overwhelming evidence from the research that road upgrading and construction have a strong positive impact on grassroots political change, neither of the road donors studied (IFAD and the WB) either anticipated or perceived any political change-related impact from their road projects.³⁹ Even a 2001 WB report acknowledging that the “potentially important, though unknown, share of the benefits [that accrue] to the poor from rural roads cannot be measured in monetary terms” makes no mention of benefits relating to transparency and accountability.⁴⁰ A quick text search of the WB’s 1999 Vietnam transport sector review, which aimed *inter alia* to “assess...the progress made so far [in the transport sector and] explore...the future role that donors and the Bank could play...to help the Government...achieve its development objectives,” also yielded no reference whatever to the political potential of roads.⁴¹

Where impact was anticipated, this was largely expected to be confined to the projects themselves. Some project documentation mentioned political activities such as “capacity building and empowerment of community groups” (OHK), “providing [opportunities] for regular feedback” (IFAD), “participatory...workshops,” “active consultations with... communities,” and “meetings at all levels... to get feedback from... community members” (WB), yet these were either not linked to expected political outcomes (OHK) or they were entirely limited to the donors’ projects: “for project adjustment and improvement,” “fostering local ownership of the project,” or related to “road maintenance” or road “selection methodology” (IFAD, WB).

IMPLICATIONS FOR DONORS

Whether they see political action as desirable or not, the research demonstrates conclusively that donors are, *ipso facto*, political actors. But their impact on political change, though extensive, remains haphazard. In order for donors to manage their political impact—to become deliberate political actors—they must first understand political change at all levels. What factors and actions cause political change? What helps to make change pro-poor?

Regular implementation of grassroots political analysis as part of program design, monitoring and evaluation is a necessary first step. The 1999 Ha Tinh PPA, though its research team was “struck to find so many poor people who generally felt voiceless and distanced from the processes, people and institutions of local government,”⁴² did not study relevant aspects of local politics such as transparency and accountability (beyond a rather

superficial institutional ranking)—though this was more a result of the highly sensitive nature of the topic at the time, than of lack of trying.⁴³ Unsworth calls for "better political and institutional analysis" but even she stops short of pushing for an examination of how and why political change has already been happening at the grassroots, where change that is still imperceptible at higher levels is ongoing.⁴⁴ This researcher could not find a manual on grassroots political analysis, or even a set of interview guidelines, anywhere on the web.

As Moore and Putzel point out, "Just as awareness of the social costs and environmental effects of alternative projects, programs and strategies has led both governments and donors to undertake their own social and environmental impact assessments, so donors should undertake political impact assessments before embarking on major projects and programs...Domestic [and local] politics often determine whether an aid program or project can be effective in contributing to poverty reduction, [yet] little attention has been paid to increasing the capacity within the agencies to carry out political analysis."⁴⁵ A good first step would be the creation, and implementation, of a manual on Participatory Rapid Political Analysis.

Once donors have a better understanding of the nature of political change at all levels, they will need to study their own impact on those changes. What are their comparative advantages in pro-poor political change? How are they best able to make a difference to the poor in terms of local politics? Recognizing the political impact that their projects actually have at the grassroots level is necessary to actively incorporating political change objectives into future work, and designing projects that effect deliberate pro-poor political change. Among the points donors should consider include:

- **Comparative advantage.** Donors should consider shifting their development efforts and funding toward initiatives in which they have a comparative advantage over Government, such as innovative project design, funding for intangibles such as training, support for new organizations, strategic support for established organizations, and participatory methodology. As part of this, it will be important to study the impact of the Government and Party on political change and identify areas where donors could add value. For instance, the importance of the media as a tool for pro-poor political change came through clearly in the research.⁴⁶ Moreover, national elites such as controllers of the media are often both a key to creation and implementation of pro-poor policy and, whether intentionally or not, actually in alignment with, rather than in opposition to, such policies—⁴⁷ yet so far it is primarily Government, not donors, which has been using the media as a tool for development.⁴⁸
- **Partnerships with Government and Party.** Investigate possible partnerships, not only with the Government, but with the Party, in work on pro-poor political change. The Party figures prominently as one driver of political change. Yet while the link between donors and Government is inherently fairly strong in Vietnam (given the many regulations that donors must follow to implement development projects), the link between donors and the Party is minimal. Closer links between donors on one hand, and the Party on the other, could strengthen the pro-poor impact of everyone's work.⁴⁹

How to make the links? One interesting concept is that of "persuasive narratives"—a way of "engaging elites [such as the Party] in discussion and debate [on]...the scope for joint and widespread gains from poverty reduction."⁵⁰ "Persuasive narratives" are, essentially, a way of using language that elites can relate to (rather than, say, "PRA-speak"), and the Party equivalent is obvious: slogans! Slogans are everywhere and often disparaged (if not ignored) by donors, yet they often represent real pro-poor intent and a potential language bridge between donors and Party. One example is the ubiquitous, "The people know, the people discuss, the people do, the people inspect."

- **Capacity building.** As argued by Moore and Putzel, "in the absence of democratic politics, anti-poverty policy ["in institutionalized non-competitive states" such as Vietnam] tends to be reactive and...rarely contributes to increasing the political capabilities of the poor." As with work in other sectors, capacity building can be an important aspect of work on political change. This could include "providing a network of legal aid services to inform the community of their rights under the law," or activities designed to build self-confidence, leadership, and organizing ability—which itself would require autonomy for "organisations representing the poor."⁵¹
- **Lessons learned from political change research on key aspects of local politics:**
 - § **Transparency.** Consider the variables that determine the financial transparency of a project, such as the type of project ("product" projects are more likely to be financially transparent than "process" projects), who receives the money, and who attends which key meetings (see Box 1).
 - § **Accountability.** Study example of unsuccessful feedback channels (see Box 2) to improve accountability interventions. Be aware of the many limitations to improved accountability, such as the need for feedback to fit within a system, the frequent failure of feedback to make change happen, decision-making power that is retained at high levels, villagers' lack of clarity of the feedback process, and villagers' occasional unwillingness to feed back (see Box 3).
 - § **Equity.** Re-commit to reaching the poorest: be aware of gaps in project design through which the poorest could slip (see Box 4).
 - § **Ambiguity of impact.** Just as with other types of development work, work on political change can have negative as well as positive (pro-poor) impacts (see Box 5).
- **A "multi-sectoral" approach to political change.** Invest in interventions that have multiple pro-poor political outcomes. For example, strategic support to local organizations not only shifts the balance of power but may also increase equity or improve accountability: upgrading the clinic and providing it with equipment increased people's trust and desire to visit it, and thereby increased opportunities for feedback and possibly equity of service provision. Support to the WU via training and loan funds helped it attract more women as members and thus provide its services to more women (equity), as well as increasing the confidence and knowledge of members which in turn has increased ease of feedback.

Finally, donors will need to clarify their political change goals, just as many now do for gender or the environment. Only then will they be able to transform themselves from accidental to deliberate, and pro-poor, political actors.

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It is hoped that this case study's roots in villagers' and local officials' own perceptions and words will make it a useful and interesting addition to the literature on politics and development for researchers and development workers alike. Any errors in fact or logic are the author's own. Comments, questions and corrections are welcome at shleisher@aol.com.

ANNEX 1: SELECTION OF CASE STUDY LOCATION AND INTERVIEWEES

District Vu Quang district was selected in a two-step process. First, the Ha Tinh districts classified as "poor" by the government were listed. Of these, three are mountainous and one is coastal. Given the researcher's greater experience with poverty in mountainous districts, the coastal district was eliminated. Next, information was requested from the local government on donors in two of the three remaining districts (those in which the researcher has worked and thus has a comparative advantage). One of these districts—Vu Quang—replied within the short timeframe with all of the information needed to make a selection of communes, so for practical reasons, it was the district selected.

Communes Next, all donors (multilateral, bilateral and INGO) active in Vu Quang for over five years were listed by commune. Two communes—Huong Tho and Duc Huong—were selected to give the widest possible range of donors for the case study. Huong Tho lies in the buffer zone of the Vu Quang Nature Reserve,⁵² and used to be part of Huong Khe district. It is the poorer of the two communes, with a poverty rate in 2000 of 63% and in 2003 of 48%.⁵³ Duc Huong used to be part of Duc Tho district; its poverty rate in 2001 was 45%, and in 2003 is 33%.

Villages The communes were each asked to select one village for the team to visit and stay in, based on the following criteria: (a) OHK, WB, or IFAD activity in the village, and (b) ease of transport (to minimize travel time). In Huong Tho commune Village 8 was selected by commune officials. However, when the team discovered that Village 8 had benefited less from the infrastructure component of the OHK program than other villages, it requested the commune choose an additional village with more OHK activity. Village 2 was then chosen. In Duc Huong commune, Huong Pho village was selected.

Interviewees No current wealth rankings were available for the villages visited, either by Government or other organizations. Due to lack of time, the team did not carry out wealth rankings on its own either. Instead, local authorities were simply asked to select people for focus groups. Only four distinct groups were selected: men, women, poor men, and women heads of households. Not only did reliance on local officials' guidance save time, but it increased officials' trust of and comfort level with the team, and probably therefore increased the openness of discussions at all levels.

Every interviewee was asked how long s/he had lived in the village to ensure that discussions about change were based in reality. One hundred percent of interviewees have lived in their villages for at least 5 years, with the average close to 35 years.

Every official interviewee was asked how long s/he had held the present position, and how long s/he had been in some position of leadership, not necessarily in the same organization or location. With one or two exceptions, all official interviewees have been in leadership positions for many years.

A complete list of interviewees is available from the author.

ANNEX 2: POLITICAL CHANGE-RELATED EXPECTATIONS OF FOCUS PROJECTS

WB National Health Support Project:

- Transparency: "the project aims to...make more transparent the Ministry of Health's (MOH's) resource allocation process so that resources increasingly go to provision of more cost-effective health services."⁵⁴

OHK community development projects:

- Being involved in management teams, regular meetings, needs assessments, surveys, training, and study trips, as well as participation in project implementation "will help give women more confidence to speak out their thoughts and their needs."
- "Being involved in program activities and being targeted for training will give women opportunities to [have] access to and control over resources" and "strengthen their role and status."
- "Capacity building and empowerment of community groups, and especially women, should be a strong focus."⁵⁵

IFAD Ha Tinh Rural Development Project:

- There is a "primary need to development practical mechanisms for involving target groups in the decision-making process."
- Target: poor and very poor rural households.
- Key feature: "providing [opportunities for beneficiaries to give] regular feedback for project adjustment and improvement."
- CPC responsibilities include "dissemination of information on project activities."
- "Women's status in target households will be considerably enhanced as they will be seen as providers of significant income to the household."
- Innovative feature: "accountability of project implementing agencies to the project's clientele."⁵⁶

WB Rural Transport 1 project:

- A participatory approach: "starting from the initial planning and decisions on the selection of roads to be improved, the type of improvements to be carried out and their simple engineering features, and the methods and resources to be used for the work."
- The project organized "participatory and interactive workshops with national, provincial and district stakeholders with a view to fostering local ownership of the project."⁵⁷

WB Rural Transport 2 project:

- "Rural transport will contribute to...human development of the rural poor."
- "An integral part of the project design is...a participatory framework that promotes the dissemination of information and structured agreements between districts and communes with regard to responsibility for road maintenance."
- "Improving roads will provide rural communities with access to economic and social opportunities such as...information."
- "Active consultations with the concerned communes are an integral part of the [road] selection methodology."
- A participatory approach was planned with "meetings at all levels to provide information about the project and to get feedback from representatives and community members on the proposed project in their locality."⁵⁸

ANNEX 3: ACRONYMS AND ABBREVIATIONS

AAV	Action Aid Vietnam
ADB	Asian Development Bank
Anedvas	Spanish NGO
CHC	commune health clinic
CPC	Commune People's Committee
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
CWU	Commune Women's Union
DARD	Department of Agriculture and Rural Development
DFID	Department for International Development (United Kingdom)

DHC	district health clinic
DPC	District People's Committee
DWU	District Women's Union
FA	Farmers' Association
FAO	Food and Agriculture Organization (United Nations)
FP	family planning
FPPP	Family Planning Propaganda Program
HTRDP	Ha Tinh Rural Development Project (IFAD)
IFAD	International Fund for Agricultural Development
INGO	international non-governmental organization
IPM	integrated pest management
MDG	millennium development goal
MO	mass organization
MOH	Ministry of Health
NHSP	National Health Support Project (World Bank)
OGB	Oxfam Great Britain
OHK	Oxfam Hong Kong
PMCDDB	Project Micro-Credit Development Board (IFAD)
PPA	participatory poverty assessment
PPCU	Provincial Project Coordination Unit (IFAD)
PRA	participatory rapid appraisal
SCF/UK	Save the Children UK
SOE	state-owned enterprise
VBP	Vietnam Bank for the Poor
VSCG	village savings and credit groups (IFAD)
WB	World Bank
WU	Women's Union
WWF	Worldwide Fund for Nature

ANNEX 4: SOURCES

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OHK: Van Minh Chau, Programme Officer, Nguyen Manh Toan, Programme Officer, Hanh, Advocacy Programme Officer, Nguyen Thi Yen, Programme Advisor.

IFAD: Rab Nawaz, Senior Technical Advisor, Ministry of Planning and Investment and UNDP—Technical Assistance to IFAD Programme (VIE/01/023), Mr Nahakul, United Nations Volunteer based in Ha Tinh for the project.

WB: Simon Ellis, Transport Sector Coordinator.

AAV: Le Van Dinh, Action Aid project officer.

At the end of one group meeting on accountability, an older man observed to the team, "You've asked us a lot of questions about why the leaders pay more attention to us now, and didn't pay as much attention to us before." He then challenged, "Now I want to know why you haven't come to see us before!" The team leader finally came up with the following: some development organizations learn faster and some learn more slowly. Some have known for a long time that to really understand what's going on, it's necessary to come talk to the people directly. Others are still learning. The man responded, "I want you to write that sentence down in your report!"

¹ There are countless examples to support this assumption. For instance, it was legal for black citizens to vote in the US (macro-level change) years before blacks actually began to vote in large numbers (micro-level change).

² Villagers and officials often state that they are not interested in information about budgets. For instance, a clinic head explained that "the government passed on the information [about the budget for rebuilding his clinic], but of course we only listened; we weren't really interested." Though some people doubtless are not interested, other factors are also at work, including Vietnam's "need-to-know" information culture, low expectations for information availability, and discouragement (lack of success in being able to put such information to use).

³ Vu Quang was newly-established in 2000 from some of the communes of several other districts (including Huong Khe, Duc Tho and Huong Son).

⁴ United Nations 2002.

⁵ This project is being supported by the UNDP project VIE/01/023/01 "Strengthening Capacity for Co-ordination and Management of Integrated Rural Development Projects," with a budget of US\$298,000 from 2002 to 2005.

⁶ Other objectives relate to reducing mortality and morbidity from malaria, tuberculosis, and acute respiratory infections, and strengthening the capacity of the Ministry of Health in policy formulation, planning and management.

⁷ The framework is the author's own.

⁸ Governments and peoples differ, of course, in the degree to which, and ways in which, they fulfil these (and other) responsibilities. The size and societal location of informal or traditional government (leaders) and of civil society, in particular, are important factors.

⁹ Corruption and legitimacy were also originally to be covered; the former proved too sensitive, while the latter overlapped a fair amount with topics that were already being covered.

¹⁰ Unfortunately, no interviews were held with staff of the WB NHSP.

¹¹ Huong Tho commune is 35 km from its old district center, as compared with just 15 km from Vu Quang district center. The comparable distances for Duc Huong commune are 23 km and 11 km.

¹² Decree No.29, 1998.

¹³ Van Minh Chau, personal communication.

¹⁴ After extensive research on the web about the definition of accountability, the researcher decided to go with the (surprising) majority opinion that accountability merely means being obliged to be called to account, not the actual act of giving the accounting (responding to the charge). This definition was then reduced to its constituent parts: making the charge (giving feedback), and being required to respond; finally, the first part (giving feedback) was chosen as the proxy for accountability overall—to simplify the research, to make the research questions more understandable to interviewees, and to reduce the sensitivity of the topic.

¹⁵ UNDP 2000:7.

¹⁶ A very important caveat here is that district hospital statistics show a general decrease in commune clinics' use rates since 2001.

¹⁷ Also see World Bank 1995:11.

¹⁸ In other IFAD project areas, however, "some of the sectoral departments are using PRA methods in their routine work." In particular there has been success in Tuyen Quang province. Now, there is an annual commune planning process not only for IFAD-supported activities but for all development activities; these are consolidated at district level and sent to the Department for Planning and Investment. Based on the plans, districts receive lump sums so have great financial flexibility. (IFAD 2000:17; R Nawaz, personal communication).

¹⁹ World Bank 1999c:44.

²⁰ Oxfam Hong Kong 2000c:12.

²¹ Action Aid et al. 1999:35.

²² Complex and time-consuming procedures for getting bank loans are an old and well-documented story. See for example Action Aid et al. 1999:23,49.

²³ IFAD 2000:19.

²⁴ For example, Save the Children UK, Oxfam GB, and AAV. (Also, R Nawaz, personal communication).

²⁵ For example, OHK training on safe use of chemicals and pesticides, which trained one person per household in target villages, and carried out training in farmers' fields.

²⁶ Thus, oddly, it may be a matter of concern that in two of the three other IFAD project areas (Quang Binh and Tuyen Quang), the FA has started to organize men's or mixed VSCGs for IFAD loans. (IFAD 2000:10).

²⁷ Nawaz 2003.

²⁸ IFAD's mid-term review acknowledged the inability of credit services to reach the poorest. (IFAD 2000:19).

²⁹ An explanation of why Government and Party organizations tended to be so highly ranked compared to informal institutions during an institutional ranking exercise for the Ha Tinh PPA. (Action Aid et al. 1999:40).

³⁰ The slowness of implementation may have had something to do with the complexity of the program, which included the provincial maternal and childcare center, the mobile district family planning team, village nurses, and population collaborators.

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- ³¹ Including training from OHK, rice from the French Embassy (2002), household equipment from an INGO called ECHO (2003), and cash from AAV (2002), totaling roughly U\$8,000.
- ³² R Nawaz, personal communication.
- ³³ It is worth underscoring the researcher's personal bias toward bottom-up, participatory methodology, which makes this research conclusion all the more interesting and compelling.
- ³⁴ The DWU head hotly disagreed, and so did the vice-chair of the DPC, who explained that these funds are managed by the Provincial Project Management Board in cooperation with the Province Women's Union and DWU.
- ³⁵ Action Aid et al. 1999.
- ³⁶ World Bank 1999a:4 points out that the relationship between improved service delivery capacity of CHCs and utilization level is far from clear.
- ³⁷ Extrapolating from first quarter data for the whole of 2003.
- ³⁸ See Annex 2 for all quote sources.
- ³⁹ IFAD 2000:22, World Bank 1996:29, R Nawaz, S Ellis, personal communication.
- ⁴⁰ Van der walle 2001.
- ⁴¹ World Bank 1999d.
- ⁴² Action Aid et al. 1999:55.
- ⁴³ Not to imply that this research was particularly deep either—how could it have been in just one week—just that it explicitly examined more key aspects of local politics. Also, Carrie Turk, Senior Poverty Specialist, World Bank Vietnam, email.
- ⁴⁴ Unsworth:16-8,29.
- ⁴⁵ Moore and Putzel:30.
- ⁴⁶ And is also well-documented elsewhere, for instance Action Aid et al. 1999:36.
- ⁴⁷ "[National elites] can help define: what issues are to be taken up as political and policy problems and which are to be ignored or sidelined; how these issues are to be tackled; and what count as legitimate and feasible policy options." (Hossain and Moore:1).
- ⁴⁸ The WB Rural Transport 2 project did plan to utilize media such as local newspapers, posters, local radio and communal loudspeakers to conduct its project information dissemination campaign. (World Bank 1999c:43).
- ⁴⁹ "Westerners consistently underestimate the importance of religious leaders in Islamic countries;" the author would contend that the Communist Party is Vietnam's counterpart to religious leaders. (Unsworth:20).
- ⁵⁰ Hossain and Moore:13.
- ⁵¹ Moore and Putzel:13,26.
- ⁵² Famous as the site of the discovery of the Sao la and Giant Muntjac in 1993.
- ⁵³ Commune officials using new Ministry of Labor, Invalids and Social Affairs definition of poverty: less than 80,000 VND per month per capita.
- ⁵⁴ World Bank 1995:3.
- ⁵⁵ Oxfam Hong Kong 2000a:4, Oxfam Hong Kong 2000c:4,8.
- ⁵⁶ IFAD 1999:2,4,11-13.
- ⁵⁷ World Bank 1996:12,32.
- ⁵⁸ World Bank 1999c:3,6-7,12,17.