FEEL FREE TO PHOTOCOPY

TO BE SURE...:

Work Practices in Viet Nam

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To Be Sure---

To be sure,
Build a house of brick;
To be clean,
Sweep with a worn broom.

--Vietnamese Proverb

For Vietnamese, the autumn of 2000 was one of celebrations: the 55th anniversary of independence; Ha Noi's 990th birthday; and Viet Nam's first eleven years of peace in modem memory.[2] Foreigners visiting Viet Nam now find a country bursting with exuberance. At peace, Viet Nam is on the move.

On-going war, the US embargo, and Viet Nam's command economy led to desperate poverty in the 1980s. After a long consultative process, in December 1986, the Communist Party's VIth Congress affirmed a policy later called *"Doi moi"* or "Renovation." Renovation instituted:

+ Transition to a market economy
+ Openness to the West
+ Openness to ethnic Vietnamese overseas *("Viet Kieu")*
+ Greater personal freedom.

The resultant changes have been stunning. Ten years ago, I was among the eleven US citizens living and working in Viet Nam. That was before open contact between

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To be sure--- ask your good friends: More than a hundred Vietnamese and expatriate colleagues contributed ideas, experiences, paragraphs, sentences, and subtleties of language to this article. Thus, it reflects many voices (and many points of view) speaking together in community. Each suggestion found its place in the article, and, as strange as it may seem, there was no overlap in suggestions, including typos.

Vietnamese contributors included officials responsible for foreign businesses, INGOs, and foreign press; Vietnamese staff of businesses, INGOs, and mass organizations; Vietnamese editors; and scholars of Vietnamese culture. Expatriates included business leaders; staff of international financial institutions, embassies and UN agencies; representatives and home-office staff of INGOs; university professors and scholars; and overseas Vietnamese with extensive work experience in Viet Nam.

Both groups engaged in serious discussions of whether we should use "foreigner," "expatriate," or "Westerner," finally concluding that none of the three is quite suitable. Less serious discussions on the same topic included a New Zealander's story of a Vietnamese friend, who asked, "How can ex-patriots expect to work easily with us Vietnamese? We are such patriots!"

2 The Vietnamese fought two more wars after the "US War" (as they call the "Viet Nam War"): the Cambodia War from 1975 to 1989 and the Chinese War of 1979.

Vietnamese and outsiders; before the appearance of disposable income and the resurgence of traditional arts; before the plethora of street stalls, restaurants, and hotels; before one could telephone reliably across Ha Noi; before the prevalence of business suits, Western skirts, and shoes; before computers and photocopiers; before swirling motorcycles, before taxis, before private cars, before traffic lights; and before the influx of expatriates and foreign capital that is changing Viet Nam forever. Ha Noi and Ho Chi Minh City were quiet towns ten years ago, before they became bustling cities.[3]

> "You can visit Paris for three weeks and write a book, but if you live there thirty years, you dare not write a word."
>
> –A Vietnamese scholar

With a few exceptions, foreigners' perspectives on post-war Viet Nam span only a few years. Expatriates tend to compare Viet Nam to their own countries or to other developing nations, with their most common mistakes arising from not accurately perceiving Viet Nam's dizzying change when compared with itself. In their enthusiasm, visitors may burst forth with pronouncements about Viet Nam's state of development. However, as a famous Vietnamese scholar, who describes himself as an "importer and exporter of culture," says, "You can visit Paris for three weeks and write a book, but if you live there thirty years, you dare not write a word."

US citizens are particularly apt to assume they will "bring development to Vietnam," forgetting that huge changes have already taken place, despite US government obstacles.[4] A common fallacy is to assume Viet Nam is like other ASEAN nations or

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Current information in English from Viet Nam can be found on the Web at: Communist Party of Viet Nam (background, current documents, news): *http://www. cpv. org. vn;* Viet Nam Embassy in Washington (visa information and forms; economic and policy information): *http://www. vietnamembassy-usa.org;* Viet Nam Net (includes the *Constitution, Declaration of Independence, Law on Foreign Investment,* legal documents and many other links): *http://www.home.vnn.vn/index_e.html;* Batin (good links on many topics): *http://www.batin.com.vn; Viet Nam News* (English-language newspaper): *http://vietnamnews.vnagency.com. vn; Nhan Dan* (the Party Vietnamese-language daily newspaper in English): *http://www.nhandan.org. vn; Viet Nam Investment Review* (weekly economic, business and trade newspaper): *http://www. vir-vietnam. com; Viet Nam Economic Times* (weekly economic, business and trade newspaper plus web page on wider economic questions), *http://www. vneconomy. com. vn;* and *Saigon Weekly Times, http://www.saigontimesweek fy.saigonnet.vn* . See also the Federation of International Trade Associations: *http://www.fita.org/webindex.htm f* for a list of economic links.

4 The post-war relationship between the US and Viet Nam has been thorny. Vietnamese remember the years from 1975 through 1986 as the "hard times" of greatest hunger since the 1945 famine. The US politically and militarily backed the Khmer Rouge during the Cambodia War and politically backed the

other former colonies; even more imprudent is to assume Viet Nam is like Cuba, North Korea, or China. However, perhaps the most complications arise from thinking Viet Nam today is like former, wartime South Viet Nam.

In contrast to visiting foreigners, Vietnamese colleagues remember ten, twenty, or thirty years ago. A National Assembly delegate recently described Vietnamese institutional changes for business leaders, noting, "Viet Nam has passed more laws in the last decade than in the previous two hundred years." A former southern revolutionary peasant meeting a delegation of Westerners remarked, "My country has developed more in the last ten years than in the previous thousand."

VIETNAMESE CULTURAL DIMENSIONS

Such rapid change challenges everyone. Vietnamese are quick to adapt, yet take a considered approach to fundamental change. Work styles successful elsewhere will not transfer completely to Viet Nam and may not transfer at all. Vietnamese are, as General Vo Nguyen Giap recently noted, "very Vietnamese-- and very intemational."[5]

Right Relationship

In Viet Nam, Right Relationship underlies social and work dynamics. Right Relationship dates from ancient ancestor cults overlaid with Confucianism during a thousand years of Chinese occupation. Nationalist socialism as described by Ho Chi Minh tempered this heritage into a uniquely Vietnamese form. Right Relationship is not a vertical line of hierarchical power but instead a complicated web of shared stories, favors, obligations, rights, and points of accountability.

In Vietnamese thinking, every person has his or her place within the family, the village, and the wider society. One's place determines duties, responsibilities, and privileges. However, relationships are not rigorously formalized and tracked as in some

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Chinese invasion of Viet Nam, in which the Chinese destroyed three provincial capitals. In 1979, the US drew its European allies into an even more stringent embargo against Viet Nam.

As part of normalizing diplomatic relations, the US compelled Viet Nam to accept $145 million in debt owed by the US-backed Republic of Viet Nam ("South Vietnam"). After 1995, the US supplied around $4 million/year in aid yet spent $75 million/year on the several thousand US missing-in-action when the Vietnamese still have several hundred thousand MIAs. Despite this difficult history, Vietnamese on the city streets and in the countryside warmly welcome visitors from the US. Foreigners are often startled to hear Vietnamese repeatedly say they have put the war behind them and are looking to the future.

Vo Nguyen Giap, "Viet Nam in the 20u' Century," paper presented at a conference of the same name sponsored by Viet Nam National University and the Viet Nam National Committee on Social Sciences and Humanities, Ha Noi, 19 September 2000.

Asian cultures. In fact, some Vietnamese abandon Right Relationship in settings such as traffic and queues. Nevertheless, in the work setting, Right Relationship remains omnipresent.

The Vietnamese language reflects Right Relationship through its many pronouns for "you" and "I." Most pronouns name family relationships resting on a patemal-matemal branched hierarchy that, for instance, differentiates "uncle" into a half dozen words and identical twins into "older" and "younger." Pronouns change according to speakers' ages, sex, social status, and level of intimacy, with every pronoun establishing and reinforcing Right Relationship.

In a professional setting, Vietnamese sometimes use given names as pronouns to indicate equality. For example, my Vietnamese colleague is ten years younger than I. We have known each other for more than twenty-five years. She uses "older sister" for "you" when talking to me but uses her own given name as the pronoun for herself. In tum, I use her given name as the pronoun for "you." I do not apply "older sister" to myself, but instead, to keep the relationship equal, use my own given name. However, during years we were not work colleagues but simply friends, we used "younger sister"/"older sister."

Pronouns also challenge Vietnamese who have trouble guessing Westerners' ages. Vietnamese often ask new acquaintances' ages in a way Westerners may find intrusive; the Vietnamese are simply trying to determine whether their guest is an "older brother" or a "junior uncle" so they can think in their own language and feel comfortable in future interactions.

Respect

Although Vietnamese pronouns change, the underlying premise is always Respect. One enlarges the Respect given the addressee and diminishes the Respect applied to oneself. By giving Respect, one gains Respect. The essential principle is: Show other people more Respect than they apparently deserve; simultaneously expect and assert less Respect than you deserve.

Vietnamese convey Respect by increasing the status choice for "you" and decreasing the choice for "I." Since the English language has no structural equivalent, Westerners can best compensate with gracious phrases. Flowery language ("If it's all right with you, I'd like to suggest an idea...." or "Allow me to suggest...") is about right.

Gestures help. The primary gesture of Respect is a gentle bow. On first meeting, Vietnamese shake hands and usually look down or to the side, indicating Respect for the other person. The handshake is gentle, also indicating Respect. Westerners often misinterpret these gestures as weakness. Similarly, Vietnamese can easily misconstrue the Westerner's firm handshake and eye-to-eye gaze as arrogance.

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Informal greetings from Vietnamese friends or neighbors may also cause confusion. Initial Vietnamese questions ("Where have you been?" "Where are your going?" and "Have you eaten yet?") are simply greetings. They are not police-checking queries. The first two are similar to "What 'ya up to?" while the last one is similar to "How are you?" None requires a direct answer any more than "How are you?" invites a full description of one's health.

Vietnamese consider guests precious and will drop everything to tend to a guest's needs. They will also stop en route to chat. I remember once years ago being intrigued the first time I noticed that ants passing in a trail run frenetic circles around each other. A Vietnamese colleague laughed at my absorption with this apparently cheerful chaos. "We are taught to be like the ants," she said. "No matter how busy we are, we always stop to greet anyone we meet on a village path."

For me, this custom of serendipitous roadside chats (which I love) often creates frustration. Vietnamese are very punctual. In Viet Nam, punctuality indicates Respect, whereas lateness signals disrespect. I may start out on time but after too many "circles" on the road, I often end up arriving late. Many of us have learned to depart early in order to engage these inevitable (and often very productive) interruptions cheerfully and still arrive at our destinations on time. In Viet Nam it is common to see a guest, who has arrived early, waiting quietly out of sight in a coffee shop until the time of an appointment. However, although arriving late (even if one has a good reason) is impolite, leaving an event early with a gracious good-bye is more permissible.

Community

Western cultures place high value on the individual, whereas Vietnamese culture emphasizes the community. Vietnamese may view individual assertiveness as arrogance. Conversely, Westerners often view Vietnamese consensus building as bureaucratic red tape. Recognizing and discussing cultural differences with Vietnamese colleagues and partners can facilitate adjustment on both sides.

Family and *que huong* (home village; site of the ancestors' graves) play a more important role in Viet Nam than in most Western cultures. Both thread through daily life and through language imagery. Family is a high priority for Vietnamese; they are pleased to have international friends and colleagues ask after the health and activities of their

family members. Vietnamese often describe the more productive work and social organizations as "like a family" and the less productive ones as "not like a family."

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Expatriate project managers can create a sense of a family within their organizations by being sensitive to the needs of Vietnamese colleagues to attend personal family events that occur during work hours. Also, expatriates can be aware that Vietnamese colleagues return home to household tasks that are labor intensive whereas expatriates often have maids. Shared staff meals, particularly on a regular basis, can break down a tendency toward colonial thinking on both sides. Vietnamese usually do *not* talk about work while eating, though informal conversation about projects afterward over tea is common.

Indirectness

Vietnamese tend to be indirect; Westerners, direct. In Western communication, the main point comes first and details follow. In contrast, Vietnamese often use proverbs and parables that tell seemingly irrelevant anecdotes to describe context. They may spiral so subtly toward the issue at hand that Westerners often miss the main point. This indirectness is a question of tact, not of insincerity.

A Vietnamese writer jokingly illustrates this dynamic with the story of a mandarin's sumptuous feast. A servant waiting on guests compliments the mandarin on his robe, describing how mulberry trees were planted and grew and how their leaves were gathered, how silk worms were fed and how the silk worms grew and how they spun their cocoons, how (speaking a bit faster) the cocoons were boiled and how silken thread was gathered from the worms' cocoons and spun, how (speaking even faster) the brocade was woven with gold and silver threads and then embroidered, too, and then how (speaking faster still) the robe was perfectly tailored to fit the mandarin's august and magnificent frame. Finally, the breathless servant blurts: "Sire, your robe is on fire!"

Westerners in Viet Nam may feel it takes forever to reach the flame. Indirectness is particularly frustrating for project managers driven by a time-is-money orientation. Like many Asians, Vietnamese engage their counterparts through casual conversation to

build Right Relationship. Then and only then can the discussion successfully approach business. Entering too soon violates trust building; pushing too fast risks everything.

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The Vietnamese have a proverb, "When entering a family, follow its practices," which is akin to the Western saying, "When in Rome, do as the Romans do." An indirect style to describe the context first is more apt to create acceptance than making a point in thirty seconds. A beginning I find useful is, "I don't know how it is in Vietnam, but in my country (or company or organization), ..." I describe how the issue plays out elsewhere and build toward the main point I would normally say first to a Westerner.

Vietnamese will be open and direct when they know you. Once mutual acceptance, trust, and a history of listening are in place, Vietnamese friends and colleagues will readily offer essential guidance. Recently, when discussing a complicated project, a Vietnamese colleague laughed, saying, "In Viet Nam, the shortest distance between two points is not a straight line!" He wriggled his hand and suggested steps to take.

FOUNDATIONS OF WORK RELATIONSHIPS

Equal Partnership

Cultural differences that can produce misjudgments in minor matters signal the need for alertness to possible misinterpretation in many areas. Expatriates who project themselves as high-energy, assertive experts with resources, capital, and all the answers unintentionally create a self-destructive differential by placing Vietnamese in a lesser role. Demanding immediate results without taking the time to listen to the steps of Vietnamese process is apt to create a stalemate. This particularly applies to foreigners' expectations of meeting senior leaders on a level they would not see at home.

Poverty and Vietnamese cultural modesty often cause foreigners to misgauge the educational level and capacity of Vietnamese colleagues. Vietnamese implemented university-level education for senior national leaders in 1076 with the founding of Vietnam's first national university. There, and at the nearby Temple of Literature to

Confucius, stone tablets display the names of the mandarins who passed their national doctorate exams hundreds of years ago. The emphasis on education has extended to modem times, with successive generations of Vietnamese studying in France, China, the former Soviet Union and its allies, and, most recently, other parts of the world.

Expatriates who work effectively in Viet Nam think of themselves as equal partners and replace arrogance with graciousness. This is as much a question of style and attitude as of content. They learn about the Vietnamese system. They replace paternalism with mutual respect and friendship. They listen and try to imagine their Vietnamese colleagues' point of view. Those who lecture and badger usually have trouble securing cooperation. Shouting and temper tantrums are even less effective.

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An experienced Australian INGO leader once entertained (and sobered) a meeting of expatriate INGO representatives with this description: "We Westerners scream and yell and jump up and down in one spot until we makes a hole in the dirt. We keep jumping up and down in that same spot until finally the hole swallows us! But when our Vietnamese colleagues face a difficulty, they drink tea or coffee or beer as friends and work the problem out informally."

Introduction and Sponsorship

Project relationships in Viet Nam, as in many countries, begin through introduction, but introduction in Viet Nam is more like Sponsorship. Sponsorship applies both to individuals and to organizations. During the French and US Wars, small secret groups within a huge citizens' resistance web depended on linked sponsorships. A mistake in introduction could bring arrest, torture, captured information, and a major setback. Introduction was critical, with the introducer responsible for the introduced person's contributions and mistakes.

This thinking still holds. The Sponsor guides the newcomer and maintains tangential involvement and ultimate responsibility. Everything must be clear and open in order to build trust. Careful and appropriate introductions can prevent mistakes and save

years of trust building. Usually, Sponsorship includes preliminary conversations without the newcomer present. Thus, the Sponsor needs to understand the introduced individual and organization's values and objectives. This is also a good reason to keep one's Sponsor informed of plans, outcomes, and extra-curricular activities.

Belonging

The Vietnamese concept of Belonging -expressed in *"thuoc"* or *"cua"* — originates in ancient Vietnamese culture and overlaid Confucianism but has changed through years of socialism. Belonging embodies Right Relationship within families, the village, an institution, and the nation; it also assigns official responsibility.

Every expatriate organization and individual Belongs somewhere in the Vietnamese system. The government office where an organization Belongs is similar to a Vietnamese older sibling, who cares for and protects the younger. The office obtains expatriate visas, signs off on permissions, and assumes responsibility on the Vietnamese side for the project. In difficult times, this office can be the project's best advocate. Thus, frequent communication pays future dividends.

Some foreign organizations that would be rigorous about government regulations in their own countries have chosen not to Belong to the appropriate office in Viet Nam. These organizations are behaving illegally. Their behavior *is* noticed; it diminishes the productivity of their work. All foreign organizations and individuals should Belong somewhere, with the site dependent on the nature of the work and the administrative level dependent on the size of the project. Foreign businesses Belong to the Ministry of Planning and Investment (MPI); INGOs, to the People's Aid Coordinating Committee (PACCOM); academic institutions, to the Ministry of Education and Training (MOET) or Ministry of Science, Technology and Environment (MOSTE); journalists to the Foreign Press Center. As in many countries, it is illegal for tourists to work for pay without Belonging somewhere.

Foreigners usually implement projects in collaboration with a Vietnamese partnering business or organization, sometimes called the Focal Point. These Vietnamese partners also Belong somewhere in the Vietnamese system. Vietnamese colleagues and experienced expatriates agree it is best to have only one Focal Point for a given project. That Focal Point will draw in other appropriate partners. Foreigners who create several Focal Points for the same project usually find themselves mired in confusion. Two (or more) Focal Points are apt to result in overlap, confusion, and reduced productivity, or in inertia as one Focal Point waits for the other to take action.

Step-by-Step Path

Viet Nam has about one-third of the population of the US, with most Vietnamese living in a space roughly the size of Indiana. Years of war and the needs of so many

people crowded on land prone to typhoons, floods, and droughts have taught Vietnamese to see the big picture and the small steps leading to larger goals. In Viet Nam, a step-by-step approach is crucial. Small successes earn trust and the chance to try other ventures. Relationships in Viet Nam move through layers. First-time visitors are graciously welcomed acquaintances; second-time visitors return as friends; third-time visitors, as old friends. Foreigners should consider managing layers of intimacy by making multiple visits that move both the relationship and project plans forward step-by-step.

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Comprehensive Consultation

Vietnamese *xin phep,* which means "Allow me...," "Permit me...," and "Be kind enough to listen to me...." This process can be described as Comprehensive Consultation. For Westerners, Comprehensive Consultation implies relinquishing power, yet *xin phep* has little to do with the "Yes" and "No" of power and control. For a Vietnamese, *xin phep* shows Respect and Right Relationship; it invites community input, elicits advice, builds consensus, and develops support to help a project run more smoothly. A consensus culture often seems cumbersome to Westerners. Discussion requires time and effort, but, as in Western organizations, failure to engage in Comprehensive Consultation may result in lost productivity. Watch Vietnamese life: Everyone discusses details to exhaustion. As one Vietnamese editor says, "We have too much democracy!"

A useful phrase for building consensus is, "If you agree, we thought we might. . ." This provides an opening to describe a project's central idea and rationale, adding more detail than is usual in the West. In Viet Nam (as elsewhere), it is best not to take proposed steps until everyone is comfortable. Effective expatriates *xin phep* with Vietnamese colleagues about anything and everything that affects those colleagues. Trust built through consultation about little details makes quick decisions possible for later, larger concerns.

Western academic researchers, scholars, and journalists would be particularly well advised to observe this process by checking the drafts of their research with informants and Vietnamese experts. Time and again, their books acknowledge expatriate pre-publication readers but seldom mention Vietnamese colleagues. As a result, their work is often riddled with inaccuracies, misinterpretations, and wrong conclusions.

Comprehensive Consultation would greatly improve their work and the publications of later writers who carry on the errors by citing them as sources.

Here is one week's harvest of facts and opinions from Western visiting "experts:"

- "The family pays 200,000 dong a year to vaccinate its pig" perhaps reflects an informant's efforts to lay the groundwork for an inflated program budget. The actual cost in that locality is 1,000 dong/year.

- "Soldiers are everywhere in Viet Nam ..." assumed pith helmets (Viet Nam's equivalent to the baseball cap) and olive-green work clothes (equivalent to Western working-class "blue collars" or, interestingly, olive-greens!) were army uniforms.

- "…undercover agents on every comer…" misidentified the ubiquitous *"xe om"* - "hugging vehicle" motorcycle taxi drivers hoping for a fare!

Some activities (e.g. press conferences, publications, conferences, workshops, and some meetings) require formal permission. There are good reasons for this. Viet Nam has benefited tremendously from its eleven years of peace. Nevertheless, Viet Nam's leadership must still cope with a marginalized but vocal community of overseas ethnic Vietnamese trying to overthrow the state. This dynamic creates understandable Government caution, which is managed through a process of permissions. Historically and even to this day, the government of Viet Nam has consistently been more open to foreigners than most Western governments have been to Vietnamese. Since requirements change constantly, Comprehensive Consultation is both common courtesy and essential behavior.

Understanding "Yes, Yes"

Expatriates all too often incorrectly assume "Yes, yes" means agreement, but the phrase is only meant to indicate, 'Tm listening." Some businesses and INGOs have planned events, printed programs, invited international consultants, and even met these guests at the airport, only to discover that their Vietnamese partners had never agreed to host the events the expatriates had planned. A US citizen traveled to Viet Nam for an event limited to Vietnamese; although she had heard "Yes, yes" to her request to attend, she had never received even a verbal invitation. These expensive and embarrassing situations would likely never have occurred had there been Comprehensive Consultation. Had these international guests engaged a Vietnamese process, they would have discovered early that their plans and their partners' were not yet compatible.

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In Viet Nam, the words for affirmation during negotiations and incidental personal arrangements are "agree" or "consent," whether in Vietnamese or translated into another language. Just to be sure, when Vietnamese colleagues say "Yes, yes" to me, I check whether they mean, "Agree." "Oh! 'Agree!"' they usually answer, but if they have reservations, I'll hear them.

Interesting cultural variations of "Yes, yes" and "No" play out over food served during social occasions. Vietnamese are reluctant to help themselves, in accordance with their saying, "A bite to eat is a bite of shame." Thus, polite guests do not help themselves right away, no matter how hungry or thirsty they may be. Traditionally, a host offers food or tea three times, and the guest gently refuses before they both partake.

Hunger haunted Vietnamese for generations, making food especially precious and a key means of honoring esteemed guests. For Vietnamese, a guest's empty rice bowl indicates the host has been deficient. By custom, Vietnamese will select the choicest morsels and drop them into a visitor's bowl. Westerners brought up on the "clean-plate club" may find themselves in an internal struggle as Vietnamese hosts keep refilling their empty bowls. I have struggled with this cultural dissonance for years and know no other answer than to leave food in my bowl (including occasionally even some choice morsels ...) with the assurance that, later, someone will see that it is properly consumed.

Listening for "No"

Vietnamese rarely say "No" because a refusal causes a loss of face. Loss of face is painful in any society but unbearable in Viet Nam. The Vietnamese have an expression: "Better to die than to lose face." Of course Vietnamese have ways ofrelaying negative decisions, but Westerners often misunderstand and misinterpret these messages.

Vietnamese usually say "No" indirectly through expressions such as: "It's complicated," "It's a little difficult," "It's not the right time," or "There's a problem ...." Most Westerners hearing such phrases shift into problem-solving mode. They roll up their sleeves, lean forward, charge ahead: "There's a problem? Let's solve it!" However, the Vietnamese think they have communicated a firm but gracious "No." No wonder misunderstandings proliferate!

Prevention is the best solution. Mention the foreigner's difficulty understanding Vietnamese complexities of "Yes" and "No." This will likely elicit the laughter of recognition. Try something like, "If anything is complicated or difficult, if this isn't the right time, or if there's a problem, just let me know. We'll stop, or change directions, or

wait." These techniques are also useful as responses to a Vietnamese "No," since they open the way for small steps towards a mutually acceptable solution. This approach may seem perplexing to those beset by project plans, deadlines, and a bottom line. However, in the yin and yang of Vietnamese culture, yielding control creates trust and access.

Again and again, particularly with break-through projects I have initiated, a Vietnamese partner has said, "This is so complicated!"

"Maybe we should wait." I've said.

"Oh no!" my Vietnamese partner has answered. "I just wanted you to know it's difficult! We're not stopping!"

CONTEXT FOR PROJECT DEVELOPMENT

Private businesses, INGOs, development consultation organizations, private academic institutions, and multi-lateral institutions were virtually unknown in Viet Nam a decade ago. Vietnamese inexperience adds to the challenges foreigners face as they mesh their organizations with Viet Nam's rapidly changing systems. Understanding the Vietnamese structure can help clarify the processes necessary for successful work.

State Structure

Viet Nam's state leadership structure can be simplified into a triangle with the Communist Party at the apex and the government and the people's organizations at the base vertices. This structure exists on the national, provincial/city, district, and commune levels.[6]

+ **The Communist Party** is responsible for policy. The Party general secretary is Vietnam's top leader. The Politburo (15 members) functions like an executive committee of the Central Committee (150 members) and is Viet Nam's top policy-making body. The Central Committee includes some state ministers, some Party provincial committee presidents, representatives from peoples' organizations, and other key leaders. Every five years, the Party Congress affirms a long, consensus-building process identifying major policy shifts. As in many Western countries, the Congress itself is a public ceremony of affirmation; the time of actual decision-making is a laborious

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[6] A Vietnamese province is roughly administrati vely equivalent to a US state; a district, to a county; a commune, to an urban borough or a rural township; and a village or hamlet, to an urban ward or rural section. "Commune" comes from the French word for the smallest governmental administrative unit and has no connection with "communism."

discussion process that occurs at every level. The IXth Party Congress in April 2001 re-affirmed Renovation.[7]

+ **The Government** is responsible for administration. Headed by the prime minister, it includes twenty-three ministries and a number of agencies, committees, and councils on the ministerial or sub-ministerial level. Ministries have offices, as appropriate, in the provinces and districts.
· People's Committees elected from the Peoples' Councils (See section on National Assembly) are responsible for administration on the provincial/city, district, and commune levels.

- **People's Organizations** (sometimes called the "Homeland Front") include the Women's Union, Farmers' Union, Trade Union, professional groups, religious organizations, Red Cross, etc. and exist on all levels. This structure has operated in Viet Nam for over seventy years. The people's organizations are the route by which Party policies reach the people and, equally, the route by which the people's concerns reach the Party. It is interesting to note that Renovation resulted when several specific localities privatized their rice paddies, reaped increased yields, and then lobbied with their results. Vietnamese refer to Homeland-Front organizations as non-governmental (NGO), a description Westerners find disconcerting because of the Party link. Similarly, Vietnamese are puzzled when INGOs insist they are non-governmental, since most INGOs receive government funds and follow government program directives.

+ **The National Assembly** is the national legislative body, with contested elections every four years. As in many other countries, delegates may not necessarily be residents of the legislative district they represent. Members

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Preparations for the Party Congress take about a year and a half. Key Party leaders drawn from around the country create a draft document, which is then sent to *every* level of the Party for discussion. Hamlet-level officials meet with the citizenry to explain the document, evaluate local achievements and leadership, and elect representatives to the commune Party Congress. The same process happens on the commune, district, and provincial levels, with delegates ultimately chosen from each province to attend the national Party Congress.

Meanwhile, the Party organizes meetings with retirees at every level so that those with experience can also contribute. The entire process is carefully organized with the intention that *every* voice from the ordinary people is heard. Each and all, including non-Party members, has the right to comment. However, Vietnamese leaders would be the first to say that, realistically, only those with knowledge and education can read and understand the draft document. There is a huge amount of discussion, lobbying, and changing during the preparatory season building up to the Congress. More than a thousand delegates attended the IXth Party Congress in April 2001. During the week-long closed sessions, they raised, discussed, and decided on more than a thousand new ideas or paragraphs. At the final Party Congress session, which was aired live on TV, two delegates raised additional ideas.

The people's organization congresses work in the same way. It does happen that key players do not attend a congress because they were not elected by their local level or by a subsequent level.

meet twice a year for about a month, while standing committees work year round. *Ad hoc* committees write the draft laws, which are then discussed at length in small groups and in full session; legislators amend and change drafts and sometimes send them back to the drafting committee for a complete rewrite. The National Assembly hears reports from government leaders. Members openly question, challenge, and even reprimand state ministers. These meetings are televised live.

Elected Peoples' Councils exist on the provincial, district, and commune levels. People's Committees (administrators) are elected from People's Councils.

+ **Courts and Legal Oversight Offices** function on the national, provincial/city, and district levels. Cases move both up and down the system. If there is new evidence, a case may be re-opened.

Generally speaking, in Viet Nam, presidents or directors of organizations are similar to Western board chairs. They attend formal occasions, connect their organizations to the next higher level of the structure, and are aware of major decisions. The vice-presidents or vice-directors are similar to Western CEOs. They are responsible for daily program management. Thus, those with vice-head titles are often the ones to see.

PRACTICAL PROGRAM CONSIDERATIONS

In Viet Nam, I work almost entirely on the informal level because I have relationships that span decades, a history of project work, and few financial program resources. Those beginning to work in Viet Nam -whether in business ventures, development projects, exchanges, or academic research -need to build their relationships. They need to meet many people until they find those who share their values and vision and with whom they can build long-term partnerships.

Building a Local Staff

The manager's most important decision will be hiring the first Vietnamese staff member. Although this point may seem obvious, many foreigners overlook it and learn painfully from that mistake. One Westerner leaving Viet Nam after five years as director of a large INGO recently citied this as her most important lesson. The foreigner's first Vietnamese colleague is an essential buffer and guide through Viet Nam's intricacies. This person can help find other honest, motivated staff.

You can find this important first staff member by talking with Vietnamese whose values and work you admire. Ask them for introductions. If you have no Vietnamese contacts, ask expatriate friends and colleagues for suggestions. The trick is to find the right word-of-mouth contacts. Key qualities needed are honesty, appropriate attitude, and motivation. Skills can always be learned.

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In 1997, the human resources manager for a European company employing 2000+ local staff shared with INGO trainers his personal (and Western) assessment of

micro-managers soon lose our respect. When faced with managers who won't listen, we stop taking initiative. Soon we stop offering essential advice. Often the expatriate begins to fail, but doesn't even know it."

A seemingly obvious answer to cultural differences is to hire expatriates of Vietnamese ethnic background *(Viet Kieu).* This fits with the expatriate organization's needs, with Viet Nam's openness to ethnic Vietnamese in other countries, and with the wish of returning ethnic Vietnamese to serve their homeland. Nevertheless, managers may do well to consider extra guidance and careful supervision for these staff.

Ethnic Vietnamese from abroad have gained their Western expertise after great effort and at great personal cost. However, once in Viet Nam, they may become over-confident experts, unintentionally displaying arrogance toward Vietnamese nationals. As strange as this may seem, similar arrogance displayed by ethnic Westerners is easier for Vietnamese nationals to endure.

Misunderstandings and discrimination exist on both sides. Ethnic Vietnamese from abroad often do not know modem, post-war Viet Nam's culture and may bring a hidden or sub-conscious agenda. Conversely, they may be unfairly held to higher standards than visitors who are completely foreign. Managers can avoid confusion, pain, and lost productivity through careful applicant interviews and thorough orientation including emphasis on Respect, Right Relationship, Belonging, and Comprehensive Consultation. Rigorous supervision and caring support are crucial.

Administrative Bureaucracy

Vietnamese bureaucracy is a challenge for foreigners and Vietnamese alike. When the Party secretary, Vietnam's top leader, was asked recently about the country's greatest challenges, his answer was simple and direct: "Corruption and bureaucracy."[8] Nevertheless, foreigners who complain publicly about bureaucracy cause the Vietnamese present to lose face. This in tum causes the complainer to lose effectiveness. Foreigners seeking visas for Vietnamese colleagues from their own embassies in Viet Nam soon learn that their own bureaucracies are also onerous.

The Vietnamese bureaucracy is struggling to redefine itself amidst colossal change. Many bureaucratic layers ("doors" or "gates") still remain. Foreigners tend to forget that the courtesies essential to working productively in their home countries still apply. In any bureaucracy -whether business, government, INGO, academic, or media -the worst blunders occur when supervisors find out from someone else something they should have learned directly. The embarrassed supervisor loses face. The negligent staff person involved, in tum, loses out.

Le Kha Phieu, address, Conference on Viet Nam in the Twentieth Century, Ha Noi: 21 September 2000.

> When the Party general secretary, Vietnam's top leader, was asked recently about the country's greatest challenges, his answer was simple and direct: "Corruption and bureaucracy."

Westerners who do not understand that in Viet Nam "The emperor's rule stops at the village gate" sometimes try to pull rank by meeting a senior-level official and then presenting a desired decision as fait accompli to lower-level partners. In Viet Nam, pulling rank is perceived as manipulation, not oversight; it causes the Vietnamese partner and others in the bureaucracy to lose face, creating an unintended result "worse than death." A quick apology will not easily remove the resulting strain.

Typical Vietnamese praise for a foreigner is "She's sympathetic to our situation" or "He's clever (at working the system);" the most negative criticism a Vietnamese will say of a foreigner to a foreigner is, "He doesn't yet understand Viet Nam."

Effective work process requires keeping both the Sponsor and Focal Point informed. During each visit to Viet Nam, managers should check in with all appropriate and active bureaucratic layers (national, provincial, district, commune) where the program Belongs. This builds Right Relationship and creates an opportunity to clarify needs on both sides as parameters change. As working relationships strengthen, the check-in process becomes quicker and more informal.

In the West, managers' secretaries usually schedule meetings and screen visitors, phone calls, and mail. Such gatekeepers wield considerable informal power. The same is true in Viet Nam. Vietnamese have not forgotten that, during French colonialism and the US War in the South, many of the most senior revolutionaries did the most menial jobs. For example, Sai Gon's wartime Communist Party Secretary worked as a gardener next door to the US Consul's residence.

Expatriates who demean or ignore Vietnamese junior colleagues, assistants, secretaries, security guards, and hotel and restaurant staff do so to their own loss. Stories of western arrogance travel the fastest of all news on Viet Nam's bamboo telegraph, which transmits quicker than e-mail. Haughty visitors may soon experience "blocking" as "small gates" once opening to new opportunities begin to close. "Small gates" can include letters unanswered, calls not returned, appointments not kept, promises unfilled, and even permissions stalled.

Ho Chi Minh is said to have consulted with his driver and cook before making major public speeches. Perhaps this is apocryphal, but regardless, the model is a wise one. Cooks have daily access to the "market mouth," and drivers overhear interesting

conversations during transit and gather intriguing scuttlebutt over tea between runs. They are very much in the know, as are receptionists and security guards.

> Expatriates who demean or ignore Vietnamese junior colleagues, assistants, secretaries, security guards, and hotel and restaurant staff do so to their own detriment.

Seasons of Opening and Closing

The stunning opening during the past decade has not been a continuum, but rather a variation of Newton's Third Law of Motion: For every opening, there has been a nearly comparable apparent closing, a pause, a chance to catch a breath and absorb the change. For example, in July 1995, Viet Nam joined ASEAN, signed with the European Union, and established formal diplomatic relations with the US. Three huge gates opened. A comparable accumulation of small gates closed: Exit visas then (but no longer) required for Vietnamese citizens became more stringent; expatriate tourists could no longer extend their visas; expatriate business and development workers received more limited visa extensions; formal permissions for conferences, workshops, and other events became more complex. During subsequent months, these "small gates" opened one by one.

Vietnamese often use the image of gates. If a large irrigation sluice gate opens, but the small gates behind it swing shut, little water flows out until the small gates open. These seasons become predictable if we remember that Western institutions exhibit similar patterns. In the West, managers will eschew startling decisions when a new CEO is taking office; high-level federal US civil servants will avoid controversial positions during a closely contested presidential election; university faculty harbor pet research projects until they can gauge a new dean's disposition.

Vietnamese instinctively hunker down and wait during seasons of huge change; they pay more attention to both formal and informal relationships; they keep required permissions in order and insure that informal Comprehensive Consultation is more detailed; and they delay new projects or phrase them as continuations of old ones. Expatriates would do well to follow their Vietnamese colleagues' lead.

Corruption

Corruption is another favorite topic within both the Vietnamese and expatriate communities. Vietnamese media regularly report on smuggling as well as on embezzlement from businesses, development projects, and government offices. Although corruption exists in every country, it is more pervasive and apparent in Viet Nam than in the West. Corruption exists on both the Vietnamese and the expatriate sides.

During the French colonial period, the Vietnamese had a saying, "Stealing from the French is not stealing." A similar version existed in South Viet Nam during the US War. Expatriates who take a neo-colonialist attitude unintentionally set themselves up as unwary participants in a tradition of "legitimate stealing."

Even those sensitive expatriates who do listen face a quagmire. The command economic system encouraged reports based on pre-established quotas rather than on strictly gathered data. This practice, deep poverty, and a desire to deliver what was requested (even if the request was unrealistic) created a fertile environment for corruption during the sudden influx of foreign capital that came in the mid-1990s.

Transparency International's "2000 Corruption Perception Index" ranked 90 countries according to the degree of corruption perceived to exist among public officials and politicians. A score of ten meant "highly clean;" a score of zero, "highly corrupt." Finland, Denmark New Zealand, Sweden, and Canada led the list of "highly clean" states. The US placed 14t\ behind Australia and followed by Austria and Hong Kong, which shared 15th. Among other Asian nations, Singapore shared 6th_gth; Japan shared 23rct_24t\ Taiwan, 2gth_29th; Malaysia, 36[1]\ South Korea, 48[1]\ Thailand shared 60th_62nct; China, 63rd_64[1]h; Philippines, 69rh_7oth; Indonesia, 85[1]h-86[1]h. Viet Nam shared 76th_73th places with Armenia and Tanzania.[9]

In another study, Transparency International's "1999 Bribe Payers Index" ranked 19 leading export countries regarding the extent to which major exporters pay bribes to senior public officials. A score of ten indicated an extremely low level of perceived bribery; a score of zero, a very high level. Sweden topped the list with "negligible bribery." The US tied with Germany for 9th & 10th places. Among Asian nations, Singapore placed 11th; Malaysia, 15t\ Taiwan, 17th; South Korea, 18t\ and China 19th. Viet Nam was not listed.[10]

Recent comments from the Party secretary and other key leaders provide a suitable basis for requiring transparent management practices. Transparency means keeping all files, budgets, ledgers, financial reports, internal and external audits, minutes,

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[9] *http://www. transparencv. de!documents/c pi/2000/c pi2000/html.* Transparency International (TI) is an NGO dedicated to increasing governmental accountability and curbing national and international corruption. Its web site *(http://www.transparency.de)* includes a number of "best practices" documents drawn from around the world. TI is funded by four international financial institutions, two UN agencies, twelve bi-lateral aid programs, fourteen major foundations, and seventy-five major international businesses.

[10] *htrp :llwww.transparency.de/ documents/bps. html.*

correspondence, e-mail, and personnel records as accessible as possible. Excessive expenditures, secrecy, and gray areas surrounding expatriate compensation and fringe benefits encourage comparable gray areas in Vietnamese reporting.

Commissions

Viet Nam has yet to implement a comprehensive tax structure to replace the one from the command economy. In 1988, the Vietnan1ese government began to cut its subsidies to government offices. Although salaries were low under the command economy, income included subsidized housing, water, and electricity. As these benefits ceased, government employees could not realistically cover their needs through salaries alone. "Commissions" became common.

Upon mutual agreement with a foreign partner, a Vietnamese office may take a management fee; this is an auditable, above-board expense. However, each bureaucratic level handling funds may also take a silent fee; these are non-auditable, below-board costs. For some despairing novices, the first indication of silent fees comes when all money has been spent, yet the factory (or school, etc.) is roofless. One expatriate INGO colleague describes this potential slippage as similar to moving a fifty-kilo block of ice from Ha Noi to Ho Chi Minh City in July: You're lucky to arrive with a damp spot.

Less obvious commissions may include a monthly percentage of rent for having introduced the site (similar to a Western real estate agent's fee); a monthly percentage of a newly introduced staff member's salary (similar to a head-hunter's fee); fees for steering orders to vendors (similar to contractors' fees); or percentage return of purchase price (similar to a discount). Unless your organization has a policy to the contrary, a staff member's taking or giving a commission is not necessarily a betrayal of trust.

Commissions are customary for the institution where a Vietnamese consultant Belongs. A Vietnamese NGO will customarily pay at least 10% off the top of any expatriate-funded grant to the association or office where it Belongs. Ifthe fee is not taken off the top, it may be pulled from budget line items unless the grant goes directly to the intended beneficiaries. An independent Vietnamese consultant hired for and signing a receipt for $500/month may be paid only $400 with the other $100 retained by the institution. A Westerner ignorant of and not pro-active in dealing with the commission system may unfairly expect the retained Vietnamese NGO or hired Vietnamese professional to produce in accordance with full payment.

Gifts and Envelopes

Vietnamese hosts customarily present visitors with a small gift. In return, gifts from one's home town (e.g. local crafts, calendars, books, or picture puzzles featuring local landmarks) are appropriate and appreciated. Kept to a small scale, presenting and receiving gifts is important in Right Relationship. However, as in any society, large gifts can easily imply accompanying obligations. Special perks (e.g. scholarships for Vietnamese partners' children or expensive gifts) are potential sources of trouble.

The US Foreign Corrupt Practices Act of 1977 makes it illegal for US companies to pay bribes to advance foreign business deals; the OECD[11] agreed to a similar document in 1997. However, the embargo kept Western businesses and the potential for tighter business models out of Viet Nam until the mid-l 990s. By then, less restrictive practices common in some Asian countries that began doing business in Viet Nam during the mid-1980s had already taken root.

Vietnamese customarily present envelopes with cash inside to friends and employees for Tet New Year celebrations and weddings; to teachers on Teachers' Day; and to attendees at seminars, conferences, workshops, political training sessions, and even office meetings. Envelopes may be given publicly or privately and are similar to personal gifts, perks, and bonuses in the Western corporate world. They are given with sincerity; not accepting an envelope can make presenters feel they have lost face.

In recent years, envelopes have become fees-for-services supplementing low government wages. As one Vietnamese working in government said, "In the past, getting things done depended on knowing the right person. Nowadays, we have to pay, too." You may be asked to pay for an envelope as a cost of doing business. Your Vietnamese staff will likely be offered envelopes in return for bringing business to Vietnamese vendors. If you do not have a strong policy to the contrary, these costs will be built into suppliers' estimates.

"Envelopes" have many downsides:

+ Those handling the envelopes can remove some of the money.
+ Those handling the envelopes can add "sweeteners" or bribes.
+ Privacy and secrecy creates resentment and distrust among recipients.
+ No receipts means no accountability.

In 1997, the prime minister publicly admonished government employees for giving and receiving envelopes and requested that this practice stop. Foreigners working

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[11] The Organization for Economic Cooperation and Development (OECD) is (by its own description) "comprised of twenty-nine l ike-minded countries producing two-thirds of the world's goods and services with membership limited to countries committed to a market economy and pluralistic democracy." For more infonnation, see: *http://www.oecd.org.*

in Viet Nam can buttress their need to follow this decision by requiring that all transactions be open and public (funds counted for all to see) with publicly signed receipts. Organizations can establish a policy that forbids giving and receiving envelopes provided managers are willing to enforce the policy. Younger staff members are particularly vulnerable to the downsides of envelopes and have indicated their relief when clear policies are in place. Unless there is a policy to the contrary, exchanging envelopes does not imply a betrayal of trust.[12]

Expatriate Corruption

The foreign side has its own version of slippage, which one diplomat with many years of experience in Asia and in Viet Nam calls "legal corruption." He points out that money and privilege allow many Westerners facing a personal or business problem to hire the best available lawyer. The resulting legal tanglings and untanglings have everything to do with law but not necessarily anything to do with justice. Similarly, expatriate slippage tends to be "legal" but not necessarily just.

Language use is often deceptive. Vietnamese are no longer so easily confused by the loose use of "donor" when the real meaning is "lender." They are also learning to read the fine print. One multi-lateral funded program in ethnic-minority education was almost signed when the Vietnamese realized that the staffing component was so narrowly written that only one organization could meet the required criteria. This organization had been dismissed from several other developing countries after local leaders discovered that the organization carried a heavy hidden agenda.

This same proposal was to provide textbooks in ethnic-minority languages. However, the program contract required that Viet Nam purchase the paper in the donor country at approximately ten times local costs; that Viet Nam print the books in the donor country at approximately ten times local costs; and then that Viet Nam pay to ship the books from the West to Viet Nam. This program was a loan, not a grant. A grant spent in the "donor" country is a loss to Viet Nam's economy and development. A loan spent in the "donor" country at prices far higher than those in Viet Nam is legalized expatriate corruption and a crime against Viet Nam's next generation.

Vietnamese have also become aware that a large number of aid dollars intended for Viet Nam never reaches Viet Nam's economy. Generally speaking, over one quarter of OECD bi-lateral aid is given on the condition that it be used to purchase goods and services from the "donor" country. The range of assistance funds reverting to the home countrv varies, from the US (71.6%) and Canada (68.5%) through Denmark (38.7%), Swedn (36%), France (34.5%), and Australia (21.9%) to The Netherlands (5.6%)[13]

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[12] For additional information on corruption in Viet Nam. see: *Combating Corruption: A Practical Handbook /or Project Managers, Line Ministries and Donors,* (Ha Noi: World Bank, 2000).

[13] **Judith Randel, Tony German, Deborah Ewing,** ***The Reality of Aid 2000: An Independent Review of Poverty Reduction and Development Assistance*** (London: Earthscan, 2000).

Thus, some if not many bi-lateral aid programs actually serve to stimulate the home-country economy and fulfill the needs of the funding country. Chances are, the same services and supplies could be purchased in the recipient country for as little as one-tenth the cost, without the additional costs of international travel and transport.

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In Viet Nam, only 50 to 70% (and sometimes as little as 30%) of INGO, UN, and overseas development assistance and business capital reaches intended beneficiaries. Sometimes as much as 40% of foreign assistance budgets leaves Viet Nam in salaries that are deposited, untaxed, into overseas banks for expatriates who live off generous in-country allowances. Expatriate consultants' expenditures often benefit foreign-owned restaurants and hotels; precious little of that revenue trickles down as broth in neighborhood *pho* shops.

Vietnamese are also well aware of double standards, in which expatriate colleagues doing similar work made ten to fifteen times as much income as their Vietnamese counterparts. Many Vietnamese see these high salaries as personal profit similar to Vietnamese commissions. When such expenditures are from grants, the funds are simply lost to the Vietnamese economy; however, when loans are involved, these high costs become the burden of tomorrow's children. [14]

Vietnamese also become cynical when expatriate managers hire personal friends as consultants. These foreign friends visit Viet Nam for a month or two at great cost and then present a report; however, often the Vietnamese consultants working with the visiting expatriates are more knowledgeable, do much if not most of the research, analysis, and report-writing yet receive a fraction of the pay and little of the credit.

Relations between expatriate staff in embassies, international financial institution projects, United Nations programs, INGOs, and businesses are sometimes surprisingly

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[14] See G. Hancock, *lords of Poverty: The Power, Prestige, and Corruption of the International Aid Business*, (Boston: Atlantic Monthly Press, 1992).

cozy. Project contracts, visiting dignitaries, and photo opportunities often migrate to programs run by spouses and friends. Evaluations and their siblings -"studies," "impact assessments," "project reviews," "macro program analyses" -can further twist this dynamic and easily lead to conflicts of interest. Funders usually delegate evaluations to program managers, who v..Tite the Terms of Reference, already creating a conflict of interest. The managers then may hire friends as lead consultants, generating a second conflict of interest. The consultant turns the final report in to his/her friend, the program manager, not the funder, creating a third conflict of interest.

Evaluation reports, by their very nature, tend to heighten managers' tempers because program short-comings (even those already recognized) appear more discouraging when described in print. The author who is also a friend may face a dilemma: belie the truth or test a friendship. I have fallen into this very trap. I once evaluated a project I knew had minor problems but then discovered major concerns. I am embarrassed to admit that I wrote a more subdued report for my acquaintance that I would have written had the funder retained and directed me. In general, overall program effectiveness would be better served if funders accepted responsibility for evaluations by determining the Terms of Reference, selecting the lead consultants, and requiring that final reports be delivered directly to the funding agency.

Some Western companies working in Viet Nam have created their own foundations, which donate funds and/or services. Such donations may cover business advertising costs as tax-deductible "donations." Companies making donations outside their business sector and without blatant use of their logos are engaging in philanthropy. Companies making donations within a business sector in which they have a vested interest are using a tax-deductible route to cover marketing and advertising expenses. Their behavior is a conflict of interest, yet a legal form of expatriate corruption.

Sometimes the cozy relationships span expatriates *and* Vietnamese, as when Vietnamese groups tum around and hire funders' family members. Vietnamese also know expatriates sometimes set up non-profit legal structures that are actually highly profitable businesses. In the West, profits that would go to shareholders in the for-profit structure may be channeled, instead, into lucrative expatriate salaries through a legally formed non-profit that actually functions like a for-profit business partnership. Some of the emerging Vietnamese NGOs follow this model and are, in fact, businesses.

Westerners apply more neutral terms such as "conflict of interest" and "nepotism" to abuses by fellow countrymen, yet refer to similar Asian behavior as "crony capitalism." The Western system of corruption tends to buttress itself within its own regulations, making questionable behavior above-the-line, auditable, and "legal;" the Vietnamese system seems more hidden and perhaps, but not necessarily, more subject to abuse. The similarity between the two is this: Challenging either system is treacherous.

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Getting to Agreement

Written contracts should follow only after open dialogue that achieves clarity and agreement. While assistance projects vary according content, business cooperation tends to follow one of four models:

+ Technical Assistance Agreement (TAA)
+ Business Cooperation Contract (BCC)
+ :puild, Operate, and Transfer (BOT)
+ Joint Venture.

Although a Western CEO may delegate decision-making, Vietnamese culture does not to the same extent. The slower Vietnamese decision process is a cultural tradition likely to remain in the near future. Vietnamese know they lack tools for analyzing investment proposals and are understandably cautious. A first-time visitor with a great idea should not expect to sign a contract. Relationships count, listening is more important than talking, and nothing replaces having reliable Vietnamese staff in Viet Nam to move the relationship along. Patience, endurance, and a sense of humor are key.

Because of cultural differences, Westerners often misinterpret the following four basic levels of agreement in Vietnamese negotiations. No wonder chaos reigns.

+ **A Memorandum of Understanding** (MOU) may be a signed and stamped document that establishes legal standing, or, even though the MOU is signed and stamped, it may be only a casual first step indicating that a meeting took place. Western visitors have mistakenly presented MOUs to their boards, thinking they have a deal; however, as a US businessman with many years of experience in Ho Chi Minh City and Ha Noi points out: "'MOU' might as well stand for 'Most Often Useless.'"

+ **An Agreement in Principle** signed by middle-level leaders indicates progress in negotiations and the beginning of an approval process. For Vietnamese, an Agreement in Principle takes the thinking on to others for discussion and

refinement. In July of 1999, US government officials mistakenly thought the Vietnam-US Trade Agreement was in effect approved when the Vietnamese negotiating team signed an Agreement in Principle. However, no senior leader on the Vietnamese side had yet studied the final draft document. Hence, a misunderstanding occurred.

+ **A Draft Agreement or Draft Contract** is more solid and indicates agreement to consult appropriate senior leadership in preparation for a contract.

+ **An Agreement or Contract** is signed and sealed (stamped) by the appropriate senior officials on both sides. In Viet Nam, as in many other countries, a signature on behalf of a government office or a private organization has no weight without the appropriately affixed, official, legal stamp.

As in the West, unofficial levels also affect the agreement process and are often stronger. Vietnamese point to traffic in Ha Noi and Ho Chi Minh City as a metaphor. People do stop at the lights (official), and they run the lights (illegal); however, between those limits, they swerve, weave, yield, and dart in what seems like anarchy to Westerners but to Vietnamese is an organic process following the understood (unofficial) rule: "If there's a space in the road, grab it."

TEN PRINCIPLES FOR WORKING WITH VIET NAM

Our small INGO office developed these ten principles after hard lessons from projects where we lost what for us was a great deal of money. Although the principles are listed starkly, when negotiating with local partners, we work in a Vietnamese way, circling in on a point by developing a context for each principle.

1. LISTEN, and communicate in a Vietnamese voice: To keep your project moving successfully, you must learn to listen. Vietnamese dislike confrontation and will try to compromise. A strong Vietnamese reaction against a proposal signals a real obstacle. Control anger and avoid "cutting the bridge." If the agreement gap is too large, consider letting a project "go" by saying something like, "It seems like this just isn't the right time-- Maybe if we waited...." "Maybe if we take a break and meet for supper...." This leaves the topic gently but firmly on the table. A recess creates time for new ideas and allows time for consultation. Vietnamese rarely do direct business while eating. When times are tense, a meal and shared stories can lighten the atmosphere; a solution may appear with the last sips of tea.

2. Hire the best possible Vietnamese staff: Check references carefully; seek additional references from resumes. Many Vietnamese job candidates have attended workshops on interviewing skills; they will be charming and say what they know employers want to hear. Structured interview questions that present a difficult choice with no apparent right answer help illuminate underlying values and traits.

3. Gather and share all relevant project planning materials: Insist on access to relevant Vietnamese project planning materials, including the partner's mission statement, long-range plans, comprehensive surveys, designs, maps, proposals, and plans under consideration by other partners. Learn how each project fits into the partner's strategy. Ignoring these steps invites overlap. Share comparable information. The clearer the information, the clearer the expectations, and the greater the chance of success. Plans change. Update this process.

Western managers of prospective projects will likely be inundated with investment proposals. Check that project concepts and models are appropriate. Many will not be. Vietnamese who draft proposals, plans, and architectural drawings sometimes let themselves dream when they think foreign investment may be involved. Although not all "dreams" should be dismissed, a simpler venture might be more profitable.

Consult widely with other organizations working in the same sector and in the same geographical area. Ask for their success stories; listen to their lessons.

4. Require transparency in accounting and program records: Be sure all financial expectations and responsibilities are clear, transparent, and written to avoid later claims such as: "But you promised ...." or "So and So promised ...." Government registration documents may require a proposed budget, which in Viet Nam signals assured funds. Note budget items subject to change. Set up transparent accounting systems with consecutively numbered receipts and with clear outside financial controls. Insist all fees be overt and not hidden in envelopes.

Expatriates, including overseas Vietnamese, can seldom secure the best deals; again, managers do well to hire honest, committed Vietnamese staff. Project proposals, quantities, and prices may be wildly inflated since foreigners are assumed to have money to bum. Examine every detail and think about who might be disadvantaged. As in the West, those who perceive they are disadvantaged can create additional "gates."

5. Try a pilot project: Start with only one project, and start small. Several projects started simultaneously tend to meld; money disappears, leaving half-finished, low-quality results. Insist one project be finished before releasing funds for another. Move to a larger format only after sharing lessons learned.

6. Employ step-by-step stages: Advance funds for the first step. Release funds for the next step only after the previous stage has been completed, monitored, all advances accounted for, and all receipts checked against current prices. Build in a final payment to be made only after the entire project has been satisfactorily completed; this retains control and helps guarantee results according to specifications.

7. Supervise staff and monitor projects closely: Vietnamese colleagues' friends and relatives may put intense pressure on local counterparts for a slipped share of project resources. Rigorous monitoring protects honest Vietnamese colleagues, giving them an easy answer: "I can't... The boss checks." Transparent accounting also protects

honest staff members, allowing them to say, "I can't. An auditor examines every receipt." Build monitoring into each step to prevent stucco results that are stellar only on the surface. Use spot checks.

Be specific. If you agree on P-400 cement, require it. If you agree on five days of training, require hard work for five days, not receptions. Here's how slippage occurs: Cement is budgeted at P-400, but P-200 is used and only half the budgeted steel reinforcing bar. The rest is sold or "distributed;" the resultant building is not only shabby but structurally unsound. Training might be budgeted for ten days, with a per diem for trainers and participants. However, the actual training may last only five days. The extra days' per diems, well... The same process applies to staff time, the quantity and quality of supplies, etc.

With project partners, describe and engage an on-going, feedback-looped monitoring process from the earliest stages of project design. Make implementation of each subsequent step (including advancement of funds) in the project's step-by-step process dependent upon implementation of needed changes the monitoring reveals.

8. Make and enforce a clear policy about commissions, kickbacks, envelopes, and gifts: Avoid commissions by advancing funds directly to those. implementing the project. Entirely remove paper envelopes so that any transfer of funds – whether given or received, whether large or small – is open, public, and receipted. Help staff understand that accepting commissions, kickbacks, and envelopes compromises their ability to monitor. Graciously communicate a clear policy about commissions, kickbacks, envelopes, and gifts to staff and partners. Consider providing supplies, training, or equipment to collegial government offices to increase capacity while lessening the need for silent fees. Avoid providing vehicles; often they are not used as intended. Ask that all gifts be public, small, and locally produced.

9. Build in a local contribution: Require a local contribution from project partners to insure local ownership and sustainability. Depending on the project, local contributions may be land, locally available materials (sand, gravel, stone), unskilled labor, on-going maintenance, training, administration, record keeping, etc. Construct development projects so that beneficiaries make a contribution to the wider community. Some projects provide benefits to leaders ("lunches," "envelopes," "junkets") and/or pay the beneficiaries to participate. Such projects insure their own demise. As soon as the funder stops paying, motivation evaporates: The project collapses.

10. Evaluate projects: Include formalized mid- and final outside evaluations. Make subsequent projects dependent upon a satisfactory final evaluation. Funders would do well to write their own Terms of Reference, choose their own consultants, and require the report come directly to them.

Bright Prospects

Effective managers recognize Vietnamese customs and practices and communicate through careful listening. They honor the core cultural assumptions: Respect, Right Relationship, Sponsorship, Belonging, and Comprehensive Consultation.

As Viet Nam implements regional and global agreements, foreign managers might assume they can work with Vietnamese partners purely on their own terms. Quite the contrary. The Vietnamese fought hard for national independence; they are not likely to surrender management of their country to others. Future prospects are great. That is why Viet Nam is such an exciting place to work.

The Vietnamese fought hard for national independence; they are not likely to surrender management of their country to others.

Biography:

Lady Borton has worked in Viet Nam off and on for over thirty years. She is the author of *Sensing the Enemy: an American Woman Among the Boat People of Viet Nam* (Dial/Doubleday, 1984) and *After Sorrow: An American Among the Vietnamese* (Viking/Penguin, 1995; Kodansha 1996). Lady is international affairs representative for the American Friends Service Committee (Quaker Service) in Ha Noi and adjunct professor at Ohio University's Center for Southeast Asian Studies. She holds a B.A. from Mount Holyoke College and an honorary doctorate from Haverford College.

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