

ASIA BRIEF

ONE STOP SHOPS – IN THE SERVICE OF THE POPULATION OF VIETNAM

HOW GOOD GOVERNANCE CAN CUT BUREAUCRACY

PARTNERSHIP RESULTS

SDC SWISS AGENCY FOR DEVELOPMENT AND COOPERATION – EAST ASIA DIVISION

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EDITORIAL

The Asia Briefing Paper Series aims to inform development practitioners and the (Swiss) public about new innovations, results and impacts of Swiss development cooperation in Asia. It highlights past and present efforts to achieve aid effectiveness through partnerships between Swiss agencies and local partners.

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Vietnam's public administration faced challenges to keep pace with the demands of the country's rapid growth and socio-economic development since the country initiated its "Doi Moi" (renovation) policy in 1986.

Working with administrative offices in Vietnam was often difficult and time consuming. Widespread inefficiency and red tape were the main reasons which led to a waste of time, public discontent, poor compliance with laws. This caused economic losses for both the public and the state. With the overall objective of enhancing pro-poor governance, the Government of Vietnam declared accountable and transparent public service delivery as a high priority in its administrative reform agenda.

The One-Stop-Shop, an innovative approach to improve administrative service delivery to the public, was developed and tested in several other countries, and was first introduced in Vietnam in Ho Chi Minh city. Switzerland, within its governance and public administration reform portfolio, has supported the piloting of a new One-Stop-Shop model since 2000 as part of its urban development project in Quang Binh province. This new One-Stop-Shop model was developed and adapted to the political and socio-cultural conditions of Vietnam. One-Stop-Shops or administrative service centres are easily accessible and offer a wide range of administrative services involving different offices through one, separate desk, providing client-oriented services by competent and motivated staff. Fees, procedures and time needed to handle a specific request are clearly defined and publicized. With USD 1.5 million supported by SDC in six years, the model has been replicated in 156 districts of nine of the poorest provinces. More than 600 staff members received intensive training. Comprehensive operational guidelines for One-Stop-Shops were elaborated, which served as the main input for an official handbook distributed by the Ministry of Home Affairs to all One-Stop-Shops nationwide.

The model has now been institutionalized by the Prime Minister. The One-Stop-Shop has been officially made a new legal entity and compulsory at all public administrative levels: central, provincial, district and communal.

Since the implementation of the One-Stop-shop in public administrative offices, the government, citizens and businesses have gained numerous benefits. All citizens have easier, faster and fairer access to administrative services, the public image of the authorities has improved, citizen satisfaction has increased, access to business licences and other administrative services is faster and regulated. All services are delivered within the stipulated fees and terms, and administrative services in social affairs to poor households are free of charge. The publication of procedures and fees has significantly limited negative phenomena such as bribes which might occur. The faster delivery of business licences, appraisal of investment projects and building permits improves the business environment and encourages investors and citizens to follow the legal procedures and pay the fees, leading to an increase in tax and fees collections. This in turn strengthens the public administration system and increases revenues for the state. Beyond this, the introduction of the One-Stop-Shop model demonstrates principles of decentralization, good governance, accountability and equality. About 30 different services were transferred effectively from district to communal level, after thorough analysis to determine what level would be the most appropriate for the service to be delivered. Better accountability and responsiveness of government offices will gradually replace the traditional "ask-and-grant mechanism" and is likely to trigger other administrative reforms.

One-Stop-Shops are currently being replicated by SDC's East Asia Division in Laos, Bhutan and Mongolia.

STRENGTHENING CAPACITY OF OVER 600 OFFICIALS IN 156 LOCATIONS NATIONWIDE



IMPROVED ADMINISTRATIVE SERVICES: AN URGENT NEED FOR VIETNAM

In Vietnam, administrative procedures used to be complex, cumbersome, and time-consuming as it required stamps from various offices. For example, getting a business licence required visits to four different offices at often distant locations. Responsible officials were not efficient in handling requests. People were typically expected to pay an extra fee to speed up a service or get approval for a request and it was unfair to those who were unable to afford such fees. The poor often suffered from bureaucracy, unnecessary delays and other obstacles as they did not have enough resources to solve their issues. The hassle involved in working with the public administration resulted in poor compliance with law. People got accustomed to bypass the system and they did not pay taxes, resulting in economic losses for the state. People also increasingly voiced discontent about corruption, bureaucracy, and poor state management.

This prompted the Government to initiate an ambitious public administration reform agenda with the goal of promoting pro-poor governance by establishing a healthy, effective and needs-oriented public administration system. At the core of those reform efforts was the aim to replace the “ask-and-grant mechanism” with a more responsive attitude towards the public’s needs.

FROM PILOTING TO INSTITUTIONALIZATION

In 2000, SDC took the strategic decision to take governance as a theme for its Mekong strategy and support Vietnam in public administration reform, starting with financially supporting a pilot model of One-Stop-Shop. This model was adapted to Vietnam’s social, cultural and political environment using information from public and enterprises surveys and existing legal documents and procedures review. Transparency, accountability and democratic principles are at the core of the One-Stop-Shop model. The basic idea of this concept is to change the way administrative services are delivered, shifting from people knocking on many doors for one service to visiting only one office where they can receive a whole range of services from business licences, building permits, social benefits to notarizations, following a clear order.

Despite strong resistance from many officials, who considered it as a loss of power, the adapted model has led to a great improvement in the administrative services. One-Stop-Shop increases the transparency of administrative procedures by clear instructions on the type of services given, the kind of documents to submit, which procedures to follow, when the results will be returned and how much the client will have to pay. It enables the public to effectively monitor the work of officials, significantly limits possible corruption opportunities and increases chances of equal treatment, meaning that granting or denial of a request is only based on conditions outlined in the law (rather than personal relationships).

In 2002 the Ministry of Home Affairs (MoHA) and SDC conducted an evaluation of OSS piloted models in Vietnam. Based on the findings of the evaluation and with support from SDC, the Ministry of Home Affairs developed guidelines for OSS which were to be applied throughout Vietnam. The Swiss-Vietnam partnership achieved remarkable results when the Government of Vietnam decided to institutionalize One-Stop-Shop in 2003. With the Prime Minister’s Decision 181, One-Stop-Shop has become compulsory and applied in nearly 10,000 locations nationwide. To achieve this, SDC has facilitated the exchange of experiences, assessed and disseminated lessons learnt. Further streamlined procedures for One-Stop-Shops have now been achieved under the partnership. By 2006, 156 district One-Stop-Shops, based on the new pilot model, were established in the nine poorest provinces. More than 600 government staff have received intensive training.

Figure 1: SDC directly supported the establishment of 156 One-Stop-Shops

Province	Districts	Communes	Total
Cao Bang	13	10	23
Ha Tinh	11	0	11
Hoa Binh	11	0	11
Nghe An	19	0	19
Nam Dinh	10	0	10
Quang Binh	6	44	50
Quang Tri	9	0	9
Quang Nam	14	0	14
TT Hue	9	0	9
Total	102	54	156

PROMOTING KEY PRINCIPLES OF GOOD GOVERNANCE AND FACILITATING ADMINISTRATIVE REFORMS

STRENGTHENING GOOD GOVERNANCE

One-Stop-Shops have brought great benefits to all stakeholders (Figure 2). It makes public services accessible, transparent, efficient, effective and accountable and increases client satisfaction. In addition, the introduction of One-Stop-Shops not only served as a vehicle for quicker and more convenient delivery of administrative services, but also as a trigger for application of good governance, transparency in the administrative decision making process, higher responsiveness, accountability and equality in public administration. Initial experience shows that more cases were better handled with the same number of staff. This reduces the operating cost of administrative offices and gives the leadership more time to focus on strategic issues. The quality of service delivery improved and fewer cases remained unsolved. More importantly, One-Stop-Shop improves the relationship between the public and the state. People are not only empowered to play a more active role as citizens but also motivated to abide by regulations. It is shown that more businesses have registered and paid taxes and fees and contributed to social insurance since the introduction of One-Stop-Shops. This strengthens state management and increases the state budget through collection of fees and taxes.

The One-Stop-Shop serves well the decentralization process. Comprehensive analysis has identified numbers of services that were delivered at a level which was not appropriate due to insufficient knowledge of the legal background of staff and in some cases, very complex procedures were delivered at the lower level. Adaptation has taken place, decentralization has been introduced and about 30 different types of services have been moved to the lower administrative level through One-Stop-Shops.

At the national level, the implementation of One-Stop-Shops triggers other reforms, such as strengthening decentralization

CAPACITY BUILDING – THE KEY SUCCESS FACTOR

Staff training is one of the backbones of the Public Administration Reform Process. Only knowledgeable and skilled staff can provide a good service. As they have to handle daily face-to-face communication with citizens, the employees of One-Stop-Shops received training in communication skills, problem solving and public service delivery. More than 600 civil servants benefited from workshops organized by the SDC, covering topics such as improved understanding of the legally required administrative procedures and customer relation skills.

A manual and an interactive CD were subsequently used by the Ministry of Home Affairs to develop national guidelines on One-Stop-Shops. Study visits to existing One-Stop-Shops and workshops were organized to expose participants to models of successful One-Stop-Shops in other provinces.

and streamlining of organization and procedures. Improved service delivery is a clearly visible result of Public Administration Reform and has had an immediate impact on the daily life of people. Ultimately, all stakeholders such as the population, the People's Committees and individual officials have benefited from the application of the One-Stop-Shop mechanism. This results in a more positive perception of the Government and its role as a partner in socio-economic development.

Experience in Vietnam clearly shows that One-Stop-Shop has greatly improved the efficiency of the public administration procedures and results in a positive impact on socio-economic development and poverty reduction.

Figure 2: Main Impact of One-Stop-Shops on Stakeholders



About this Publication

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