

FIELD ADMINISTRATION IN VIETNAM

A Memorandum for the President

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## FIELD ADMINISTRATION IN VIETNAM

### PREMISES:

1. Vietnam is a nation.

It is not merely an agglomeration of autonomous regions or provinces.

2. The Government's program of services for the people needs to reach the people on their farms, in their shops, at their homes.
3. National services should reach the persons who need them. National services should be paid for by persons who can afford to pay taxes.
4. Responsibility for achieving national service programs should be clearly fixed.

This responsibility should be matched by commensurate authority. Those vested with responsibility and authority should be rewarded for effective performance and penalized for ineffective performance in getting services to the people.

5. Meeting of the people's needs is a problem of timing as well as of substance.

### FINDINGS:

1. The national program of services is not reaching the people as effectively as is desirable.
2. When the regional delegate or the chief of province is "king" in his area, national unity may be obstructed.

How well or poorly each national program reaches the people varies from province to province.

This variation often reflects the fact that province chiefs and regional delegates vary in their enthusiasm for particular programs.

3. It is a proved paradox of modern democratic governments that perfectly balanced provincial budgets are likely to mean unbalanced services to the people.

If a substantial part of the total services to the people are paid through provincial budgets and if balancing of provincial budgets is insisted upon, Vietnam will be ignoring the need in every nation for the well-to-do regions, classes, and industries to finance governmental services that benefit not only themselves but also the regions, classes and industries which need those services but cannot pay their whole cost. All nationally financed and performed services accept subsidy as an inherent element of nationhood.

4. Responsibility is confused. The national ministries are supposedly responsible for achievement of programs, but outside Saigon the lines of authority from ministries are not clear because competing authority has been vested in province chiefs.

In this confusing situation it is hard to know whom provincial technical personnel should obey, and who should be praised or blamed for successes and failures of programs.

5. New employees are not paid promptly.

Proposed expenditures require an excessive number of approvals.

Suppliers of goods are not paid promptly.

Farmers' requirements are not met in the proper stages of the growing season.

#### CONCLUSIONS:

##### A. About field administration:

1. With the abolition of the regions, the 43 provinces should be reduced to about a third as many. This will provide a more manageable span of control for the Presidency, provide larger and more flexible staffs at the provincial level, and enable greater selectivity in appointment of province chiefs and heads of technical services.
2. The national ministries should be held responsible for effective execution of national programs, assuring that they reach the people.
3. Each national ministry should have full authority over execution of its program.
4. The provincial chief should not be interposed in the line of authority between the national ministry and its agents in the province. Instead, he should seek to promote cooperation and coordination among the technical services, should be the "eyes and ears" of the President with respect to the effectiveness of the programs in his area, and should be a critical commentator on budget estimates proposed by the technical services.
5. Ministries should delegate more authority to their field agents and should place a larger proportion of their employees in the field.

Administrative decisions would then be made closer to the people served. Action would also be speedier.

B. About budgetary and financial administration:

All authority-supporting phases of administration, such as budget preparation, budget execution, purchasing, appointment of personnel, and promotion and removal of personnel, should be designed to support the authority and responsibility of national ministries for national programs.

To illustrate, the implications for budgetary and financial administration are as follows:

1. The actual budgets should be for two levels, one for the nation and one for the village.
2. The national budget should contain a chapter for each ministry.

This chapter should cover all costs of carrying out the ministry's program both in Saigon and in the field.

3. All receipts, other than those for villages, should be paid into the national treasury, and should be disbursed in accordance with the approved budgets for the ministries.
4. The Presidency (or the Department of the Interior) would include in its budget an amount sufficient to pay
  - (a) the salaries and expenses of province chiefs and their immediate offices, and
  - (b) the costs of such common housekeeping services as are maintained at this provincial level (office space and maintenance, motor pool, typing pool, etc.)
5. Budget preparation should be fundamentally a responsibility of the ministries and their field agents.

However, the province chief and the province council should have the opportunity to examine and comment on (but not to alter) the estimates prepared by each technical service of the area. The comments of the chief and of the council would be forwarded to the national ministries and to the Budget Directorate of the Presidency for their consideration when preparing and reviewing ministry estimates.

6. Budget execution should be fundamentally a responsibility of the ministries and their field agents.

This means that the ministries would decide on the wisdom and desirability of making individual expenditures that fall within the amounts of the approved budget and within the allotments made by the Budget Directorate.

Pre-audit controls should be reduced and post-audit controls strengthened.

Ministries should delegate substantial authority to their field agents to conclude financial transactions.

Where post-audit controls reveal frequent errors of judgment, the officials responsible should be subjected to administrative sanctions.

Where post-audit controls reveal dishonesty and corruption, the officials responsible should be removed and should be criminally prosecuted.