

#### Topic and Research Question

What is the purpose of taking norms and norm practices as primary unit of analysis for the investigation of socio-economic transformation? In the first instance, socio-economic change is driven by institutional (i.e. rule) changes and rules are made by economic actors: Codified institutions are established by the legislative authorities, generally the government, and implemented by an executive body. Informal institutions on the other hand, such as norms or conventions, emerge within the entirety of society and once practiced by a wider part of socio-economic actors i.e. reaching a certain degree of prevalence they may become formalised or codified by the government. Thus norms (generally upheld ways to achieve aspired values, i.e. needs & wants, ideals) can tell us a lot about economic preferences pursued by economic actors. Secondly, socio-economic transformation implies a change of the institutional scaffolding, e.g. when planned economic coordination becomes substituted by market-based coordination. In this context also norm *practices* change, while the attributes of the norms themselves remain relatively stable. Given this content related constancy the analysis of changing norm practices is highly facilitated. Based on the above elaborations, the research question has been formulated correspondingly: 'Which norms are used by state and non-state actors for the realisation of individual needs and wants in Vietnam?' Subsequent questions were related to the dominance of certain norms and whether norms of state and non-state actors are intertwined in a mutually constituting dynamic. As for the research relevance it is argued that the present thesis attempts to apply a novel evolutionary institutional framework to analyse economic behaviour of actors in Vietnam during the pre-reform and ongoing reform period.

#### State of the Art

Studies regarding the institutional role of norms in transformational Vietnam are relatively scarce. Nevertheless, valuable research on norm practices during the colonial epoch has been contributed by Freeman (1996) and Womack (1987). Norm practices in later periods including the early reform era are discussed in Brocheux (1983) and Tran et al. (2008). The treatment of norms within the formal legislation has been well analysed by McCarthy (2001) and Gillespie (2002 and 2008), whereas institutional and norm

changes and practices in pre- and mid-reform agriculture are aptly captured by Kerkvliet (1995 and 2001) and Fforde (2008 and 2009). For respective developments in SOEs during the reform era the reader shall be referred to Fforde (2004 and 2005) and Vo and Nguyen (2006). The emergence of the private enterprise segment and corresponding norm practices has been depicted by McMillan and Woodruff (1998, 1999 and 2000) and Le and Harvie (2010).

#### Methodology and Approach

In order to increase operability and feasibility of the analysis of norm practices, the three institutionally representative norms of cooperation, competition and compromise were chosen. By doing so it is possible to capture the attributes of economic institutions and compare respective changes that occurred with the transformation of the planned economic (cooperation) towards a more market based economic system (competition). The major theoretical schools behind the query are the Old Institutional Economics, Evolutionary Institutional Economics and to a lesser extent the New Institutional Economics. The systemic features derived from these theoretical bodies is firstly the feedback loop between formal and informal norm practices, i.e. how dominant practices of one realm have shaped the other and vice versa. Herein, special emphasis has been given to the informal realm, i.e. the practice of non-codified rules. Secondly, the concept of learning by doing and trial and error based learning has been adopted, i.e. how actors learn from the results of practicing certain norms to achieve economic goals, i.e. 'needs' and 'wants'. Based on these elaborations economic goals – characterised by degrees of exclusiveness and rivalry – were linked to the three norms so as to facilitate the identification process. On this framework the following assumptions were established: It was expected that formal institutions exhibit a shift from cooperative norms of the pre-reform area to increasingly competitive norms during the reforms. Yet, cooperative concepts were still presumed to exert an impact on formal institutions. Furthermore it has been assumed that the norms practiced by non-state actors are subject to economic goal specificity and that there is no clear shift from less cooperation to more competition in the course of reforms among them.

#### Main Facts

After having given an overview on the practice of cooperation, compromise and competition by state and

non-state actors from the colonial period up until the Doi-Moi reforms, the second chapter focussed on the shift in emphasis of these norms in national legislation. Exemplarily the sequence of revised constitutions shows how norms of cooperation decreased vis-à-vis an increase in competitive norms over time.



Figure 1 Quantification of cooperation, compromise and competition in Vietnam's constitutions

Subsequent chapters investigated the evolution of norm practices in agriculture and industry. As for agriculture it has been shown that non-state actors could by their use of norms exert sufficient pressure on the formal regulatory body, which in turn led to a bottom-up induced change of the codified institutional framework. In industry informal norm practices that emerged after the initiation of reforms also showed little adherence to the formal institutional pre-sets. And although exhibiting a high degree of competition, cooperative and compromise related activities between competitors proved to be a common feature. The last two sections tackled the question of norm preferences of individual actors.

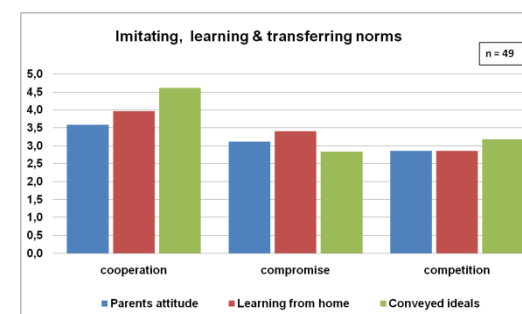


Figure 2 Question items on the evolution of norm practices among individuals (the author's survey)

Firstly, preference changes documented in question items of two survey waves conducted by the *World Values Survey* were discussed. Here it was found that actors' preferences for certain norms are highly contextual and thus cooperation, compromise and competition were appraised differently depending on the specific circumstances. In other words no single norm was prevalent. A questionnaire survey (using a five point

Likert scale) conducted by the author among Vietnamese citizens showed that cooperative concepts were slightly dominant in work and business related matters. And yet, competition and compromise equally exhibited high levels of affirmation.

#### Results

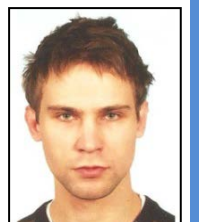
Vietnam's history of economic norm practices among non-state actors was less competition driven than one would expect: Cooperation is the dominant norm within peer groups, whereas competition is mostly occurring as a form of expressing direct opposition. Bottom-up induced norm changes were often founded on non-state actor group internal cooperation and competition was mainly used to oppose top-down enforced institutional structures. Over the course of reforms the state has increasingly attempted to design institutional settings according to bottom-up conveyed ideals, but achieved only medium acceptance levels from non-state actors. At the individual level, competitive and compromise related norms have played a significant role however cooperation ranks highest in individual preference.

#### References

All references can be found in the full version of the MA thesis available at <http://othes.univie.ac.at>

#### About the Author

Benjamin Steuer holds a BA and MA in Sinology (University of Vienna) and is a research assistant at the Institute of Waste Management located at BOKU University, Vienna. His PhD research deals with the Circular Economy in China and together with a team of BOKU researchers he is currently conducting projects on Chinese waste management, such as on e-waste recycling, ship recycling and informal waste collection.



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