

SOCIAL CAPITAL AND LOCAL GOVERNANCE IN VIETNAM

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OUTLINE

- Rationale
- Methodology
- Results

RATIONALE

- **Social capital in literature:**
 - Bourdieu(1972) (1986): resource
 - Coleman (1988): form of cooperation between individuals
 - Granovetter (1973), Putnam (1993): organizations and networks

 - **Social capital in practice:**
 - Early recognized as resources within social networks
 - Individual → Collective level
 - Social capital's benefits: focus on economic rather than political function
- link with Local governance

METHODOLOGY

Social Capital: How to measure

- **Consensus among scholars: social capital includes:**
 - Cognitive elements: norms and values; and
 - Structural elements: rules and institutions
- **OECD (2001): networks together with shared norms, values and understandings that facilitate cooperation within or among groups → 4 interpretations of social capital (OECD 2003):**
 - Personal relationships
 - Social network support
 - Civic engagement
 - Trust and cooperative norms

Local governance: PAPI

DATABASE

- **Vietnam Provincial Governance and Public Administration Performance Index (PAPI): CECODES, VFF-CRT & UNDP (2012-2018).** URL: www.papi.org.vn
 - Inspired by the Local Governance Performance Index (LGPI).
 - Used experiences with such issues as corruption, participation, transparency and service delivery to develop governance indices aggregated at the provincial level.
 - Period of 2013-2016: scaled data
- **General Statistics Office of Vietnam: VHLSS**
- **Provincial Competitiveness Index (PCI): Vietnam Chamber of Commerce and Industry (VCCI).**

4 COMPONENTS OF SOCIAL CAPITAL

Dimension	Sub-dimension
1. Trust	1.1. Trust in Economic status
	1.2. Trust in Local securities
	1.3. Trust in Community
	1.4. Trust in Government
2. Participation in local governments and organizations	2.1. Member of the Party
	2.2. Member of local council
	2.3. Member of mass organizations
3. Participation in informal groups and activities	
4. Interpersonal and relationships	

RESULTS

- Calculation of Social Capital
- Impacts of Social Capital on PAPI index

AVERAGE SOCIAL CAPITAL OF HOUSEHOLDS BY YEAR

Year	Number of observe	Mean	Standard deviation	Min	Max	Median
2013	13,803	47.04	9.01	10.00	79.93	47.40
2014	13,428	47.71	9.12	8.89	79.67	47.78
2015	13,760	48.00	9.81	5.56	79.93	47.78
2016	13,843	48.77	9.94	12.36	79.97	48.33
2017	13,839	50.59	9.29	11.67	79.94	50.83

DIMENSIONS OF SOCIAL CAPITAL

Year	Trust in representative governance and institutions	Participation in local governments and organizations	Participation in informal groups and activities	Interpersonal and relationships
2013	78.70	4.77	18.22	98.54
2014	78.83	5.38	21.18	98.72
2015	78.07	7.60	20.78	99.00
2016	78.74	7.67	24.45	98.87
2017	79.80	7.73	33.19	99.09

COMPONENTS OF “TRUST”

Year	Trust in the family economic security	Trust in local security	Trust in community	Trust in governments of all levels	Trust
2013	74.84	87.57	45.65	85.25	78.64
2014	75.82	89.03	42.00	85.05	78.73
2015	72.96	89.66	45.31	83.34	77.93
2016	75.36	89.98	41.06	83.08	78.57
2017	75.20	91.06	45.61	83.21	79.61

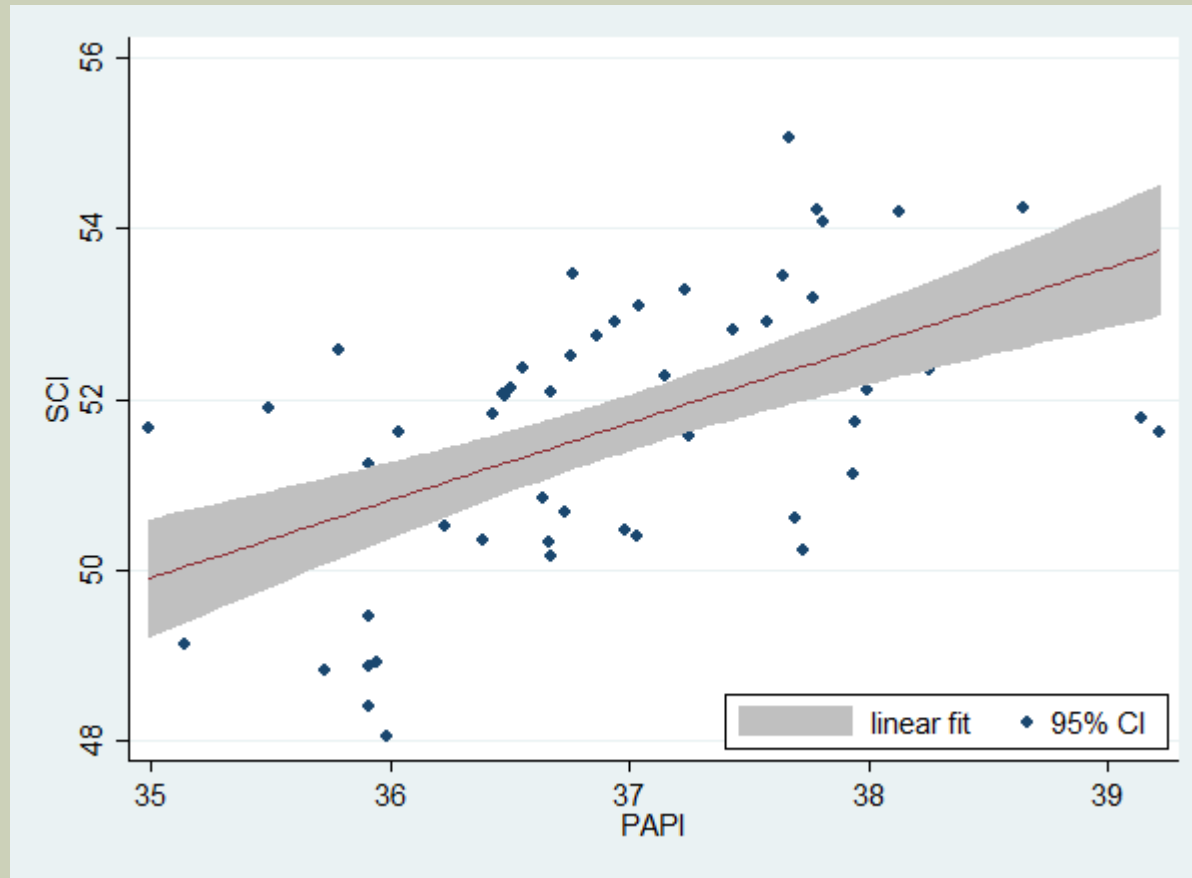
FACTORS AFFECTING SOCIAL CAPITAL AT HOUSEHOLD LEVEL

- Social capital of rural households is lower than that of urban households.
- Social capital of poor household scored less than non-poor household.
- Households of ethnic minority have lower social capital than Kinh households.
- Households with female head have lower social capital than male head.

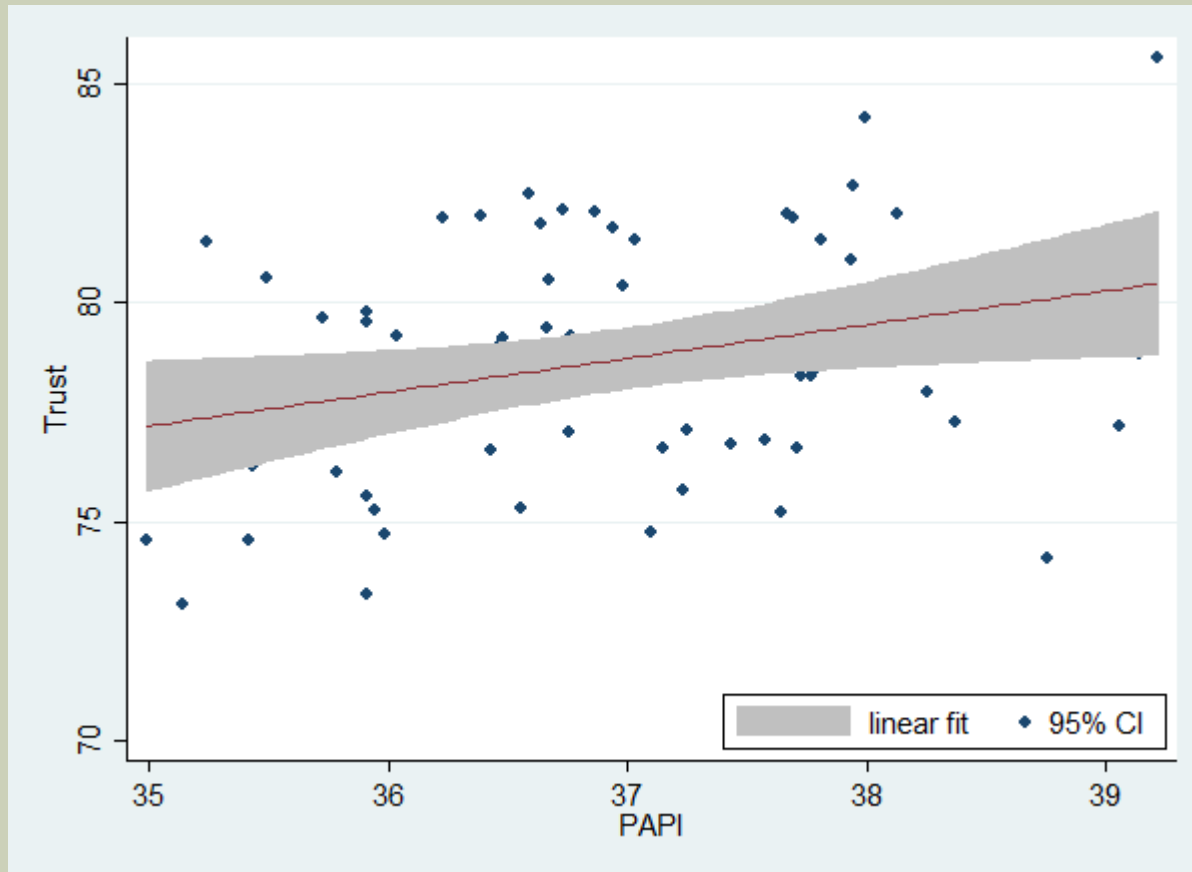
IMPACT FACTORS ON LOCAL GOVERNANCE

- Provinces with larger population size have better administration than provinces with sparsely population.
- Provinces with more active economic activity (represented by larger local GDP) will face to more challenges in term of local governance.
- Local area has no effect on the quality of public administration
- Localities with high percentage of poverty tend to have better quality public administration.
- Quality of public administration in Vietnam has actually improved over time.

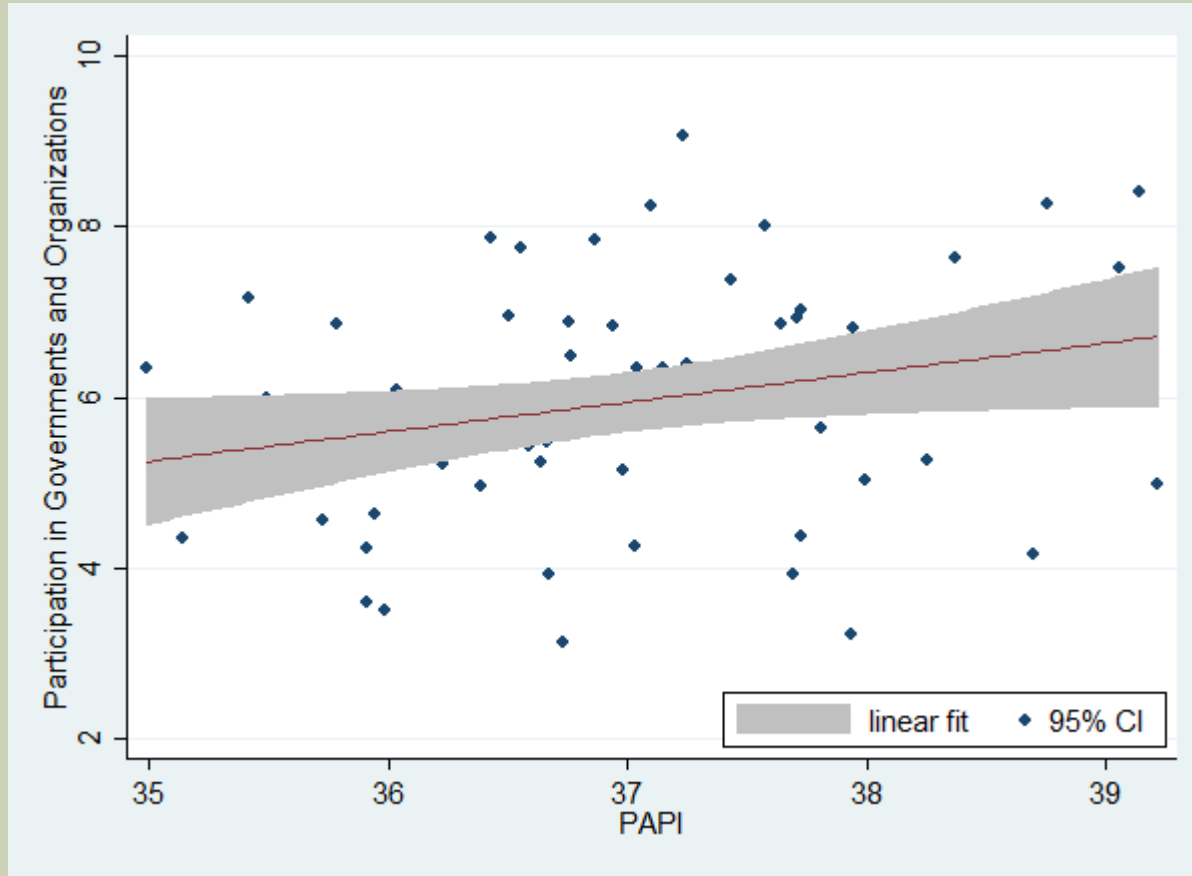
CORRELATION BETWEEN PAPI AND SCI



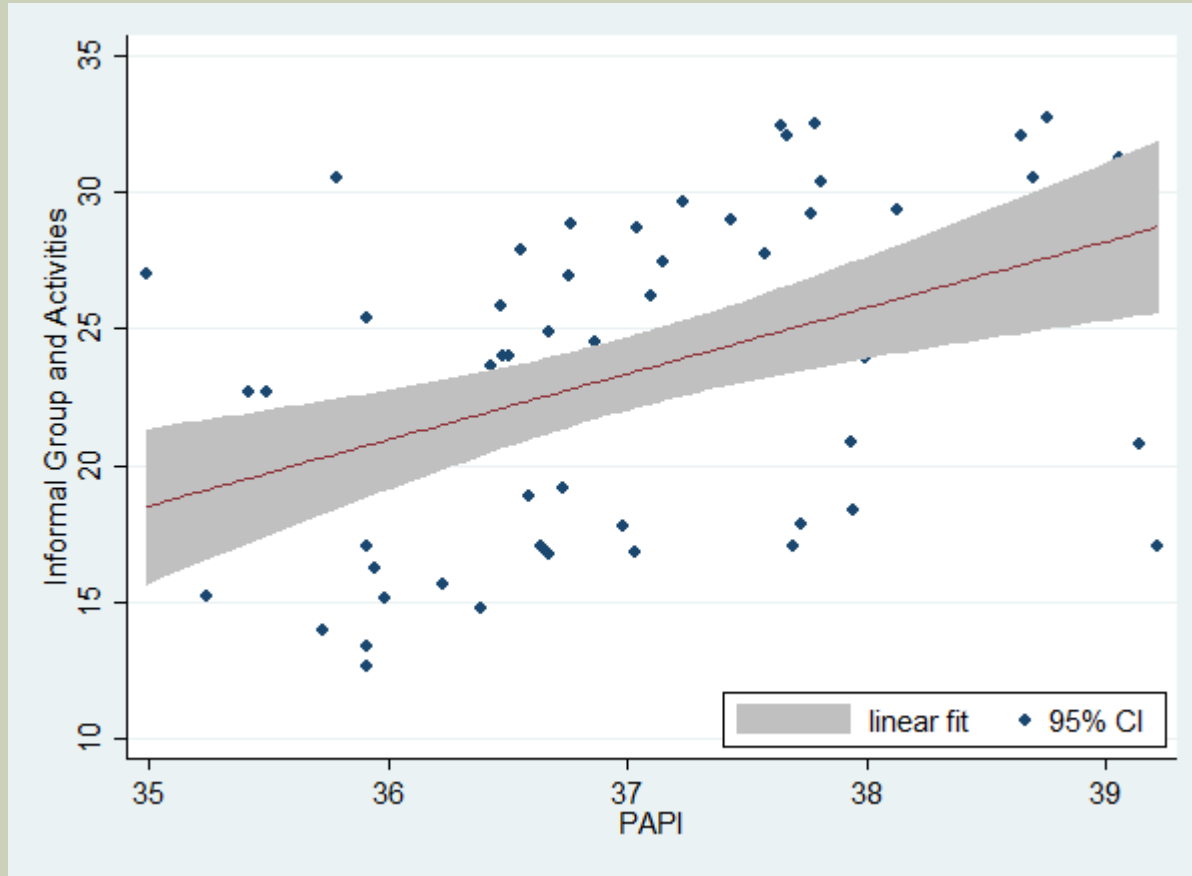
CORRELATION BETWEEN PAPI AND TRUST



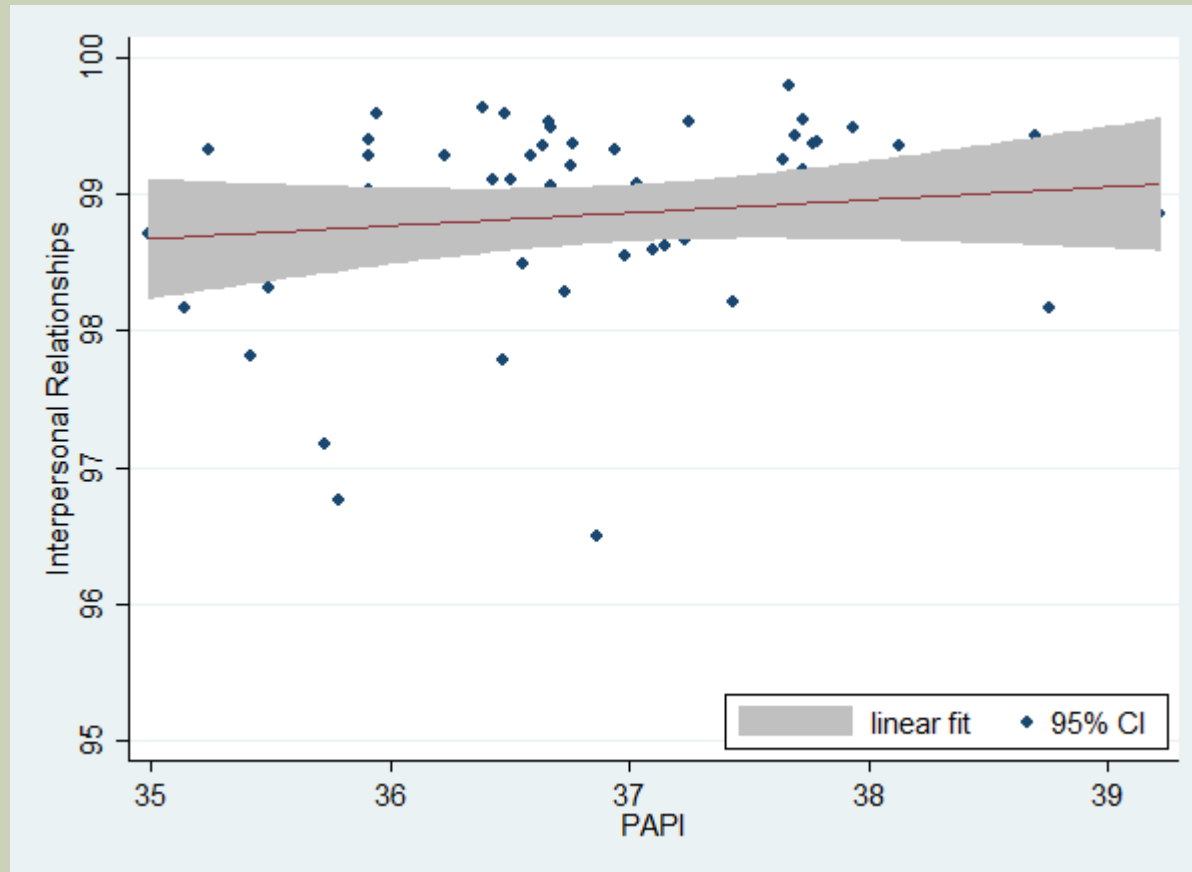
CORRELATION BETWEEN PAPI AND PARTICIPATION IN FORMAL ORGANIZATIONS



CORRELATION BETWEEN PAPI AND PARTICIPATION IN INFORMAL ORGANIZATIONS



CORRELATION BETWEEN PAPI AND INTERPERSONAL RELATIONSHIPS



IMPACT OF SOCIAL CAPITAL ON LOCAL GOVERNANCE

- All 4 components of social capital index have positive correlation with PAPI
- SC1 (Trust) and SC4 (Relationships) components have relatively strong correlation

CONCLUSION

- Social capital has positive influence on local governance
- Improve the social capital by promoting collective action (Ostrom 1994)