



2011 MEI REPORT: SUMMARY

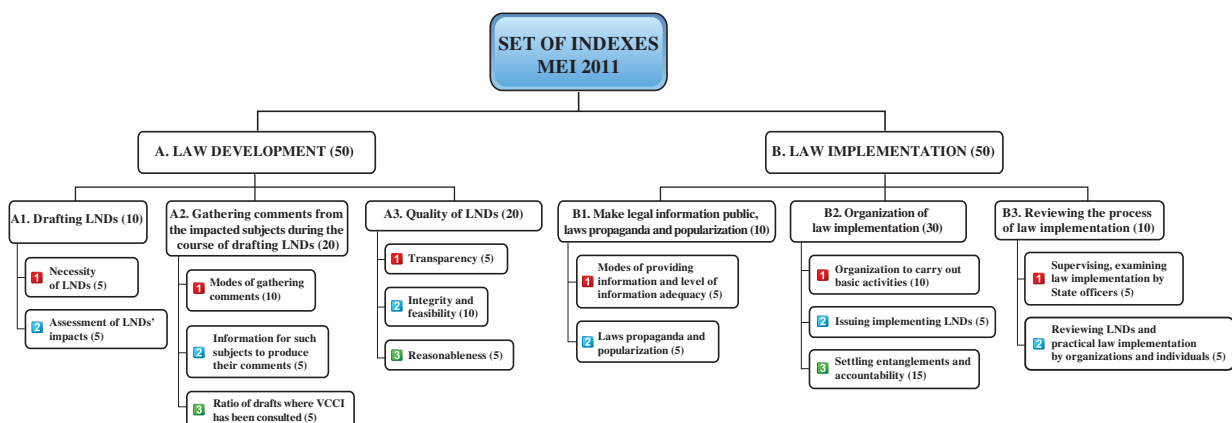
I. 2011 MEI Introduction

The index for effectiveness of development and implementation of laws on business of ministries (Ministerial Effectiveness Index - MEI) has been developed in order to give an overview on the effectiveness of the development and implementation of laws and regulations on business by 14 Ministries with functions and duties closely attached to enterprises and business activities.

Based on MEI, the Government, the society as well as Ministries can better systematically understand the effectiveness in reality of legal developments on business (from drafting to implementing) of relevant Ministries in order to work out appropriate measures to promote the positive points, and to overcome the shortcomings in the process of law development and implementation. As such, MEI contributes to assisting the Government and the society to develop a more effective and more convenient legal and policy environment for the enterprises' community and to improve the competitive capacity of Vietnam in international economic integration.

Main features of MEI:

- MEI is mainly based on surveying the perception of associations of enterprises, including, in a broad meaning, all organizations (i) gathering and/or representing any group of enterprises, economic organizations, individuals doing business and (ii) at the central and provincial level.
- MEI evaluates the effectiveness of activities of development and implementation of laws on business of Ministries, with 06 sub-indexes including: (i) Drafting legal normative documents (LNDs); (ii) Gathering comments on draft LNDs; (iii) quality of issued LNDs; (iv) making information public and law propaganda and popularization; (v) organizing law implementation and (vi) reviewing and summing up law implementation.



- MEI evaluates effectiveness of law activities of 14 Ministries which are most closely attached to business activities and enterprises, including:

1	Ministry of Trade and Industry
2	Ministry of Transportation
3	Ministry of Planning and Investment
4	Ministry of Science and Technology
5	Ministry of Labor, War Invalids and Social Affairs
6	Ministry of Agriculture and Rural Development
7	Ministry of Finance
8	Ministry of Natural Resources and Environment
9	Ministry of Information and Communications
10	Ministry of Justice
11	Ministry of Culture, Sport and Tourism
12	Ministry of Construction
13	Ministry of Health
14	State Bank of Vietnam

2011 MEI, or MEI done in 2011, evaluates the effectiveness of activities of development and implementation of laws on business of 14 Ministries in 2010.

2011 MEI has received the survey answers from 207 associations of enterprises, representing 419,641 enterprises, organizations, and individuals doing business, including 49,178 enterprises, 370,463 economic organizations and business people. 116 of the associations of enterprises with answers are specialised associations, with members doing business in all the basic fields of the national economy. 43.96% of the remaining answers come from 91 general associations of enterprises.

2. General results of 2011 MEI

Table 1: Summary of MEI 2011 results

The index for effectiveness of development and implementation of laws on business of ministries
Ministerial Effectiveness Index - MEI 2011

- A1. Drafting LNDs (10)
- A2. Gathering comments from the impacted subjects during the course of drafting LNDs (20)
- A3. Quality of LNDs (20)
- B1. Make legal information public, laws propaganda and popularization (10)
- B2. Organization of law implementation (30)
- B3. Reviewing the process of law implementation (10)



In general, there are no weak Ministries nor credit/good Ministries.

2011 MEI results show that all 14 Ministries all have final scores in the upper part of the moderate group: lowest as 51.37 points/100 points, and highest as 59.01 points/100 points, and the remaining 12 Ministries are within these ends, and the average for all Ministries is 54.53 points/100 points.

By ranking effectiveness of legal developments on business of Ministries as “moderate”, associations of enterprises have noted the efforts made by the Ministries as just-enough performing their obligations to the community, and at the same time, they have not yet seen necessary efforts by Ministries to do their jobs as effectively as they can.

With such results, in 2010, the Ministries might have correctly performed their functions and duties, but surely the Ministries have not yet been viewed as having done their jobs well and effectively.

Comparing the Ministries with each other, there is no too bad Ministries and also, no outstanding Ministries

With all 14 evaluated Ministries having the final scores which are within 10 (10) points apart (on a 100 points score), the Ministry with highest scores is only 7.64 points higher than the one with the lowest score, the moderate score and the average score is nearly identical (54.53 points and 54.42 points, correspondingly), we can see that 2011 MEI scores of the Ministries are very close, and they are almost near each other in the ranking table.

It's noteworthy that the phenomenon that Ministries are very close in effectiveness of law activities is not only regarding the overall 2011 MEI index, but it happens to almost all Sub-indexes (i.e. basic groups of law activities). If the threshold for changing the ranks is 20% (of the 5 ranks of effectiveness of MEI), then there is no Sub-index where the leading Ministry is one rank higher than the lowest Ministry in effectiveness.

This means by associations of enterprises that there is no “too-bad” Ministries, but on the other hand, there is no Ministry with outstanding positive points when compared to other Ministries.

Comparing the groups of law activities by Ministries, the hard work is not skipped by Ministries but the easy one is done loosely

2011 MEI shows highest results in the index for effectiveness of “development of draft LNDs” (with 2 specific sub-indexes of “necessity of the draft” and “level of fullness of assessment of the draft’s impacts on relevant subjects”) and “organizing law implementation” (including some key indexes namely “developing and implementing industry’s development plans”, “implementing administrative procedures”, “inspection and examination of enterprises”, “coordination of lower-level units”, “providing guidelines on law implementation”, “settlement of difficulties and entanglements”...).

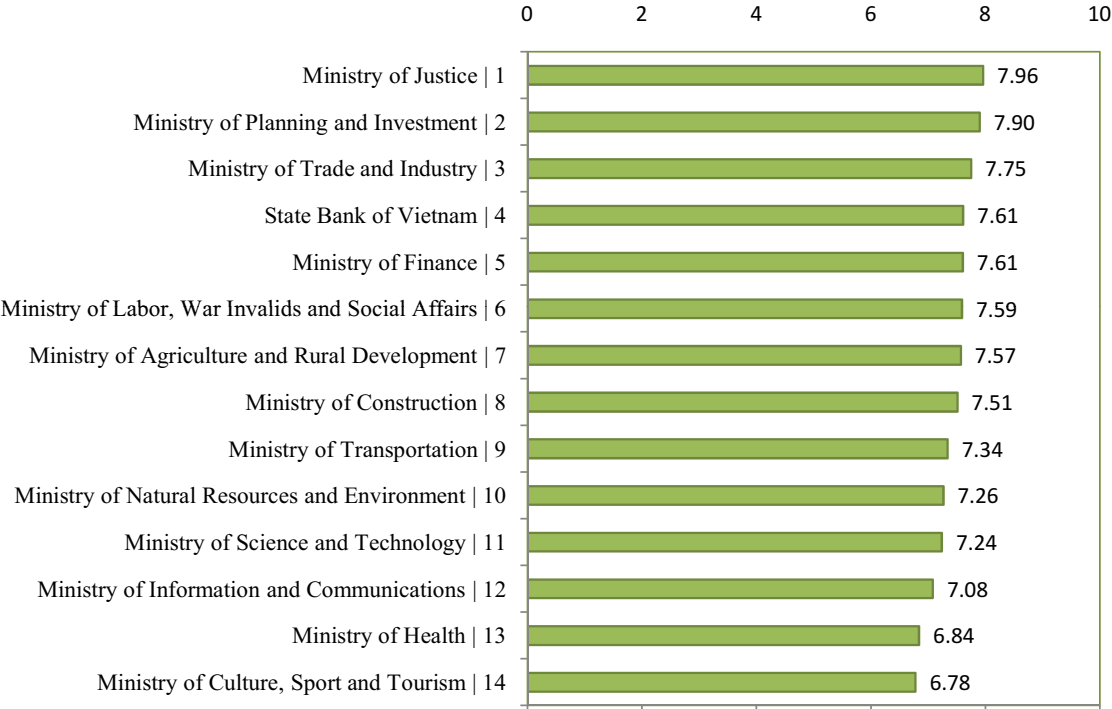
Meanwhile, the activities of “gathering comments from enterprises and associations on draft LNDs” and “provision of law information and law propaganda and popularization”, which are both expected to be not-too-difficult activities which do not require in-depth expertise, get the lowest scores.

Based on such results, 2011 MEI shows an unreasonable trend in the activities of development and implementation of laws of Ministries, whereby Ministries’s efforts, if any, mainly focus on complex law activities while they fail to be strict on easier activities which can be not-less-productive and not-less-meaningful.

3. Results of 2011 MEI Sub-indexes

(i) Index for effectiveness of the activities of development of draft LNDs of Ministries

Table 2: Points of sub-index “developing Legal normative documents by Ministries”



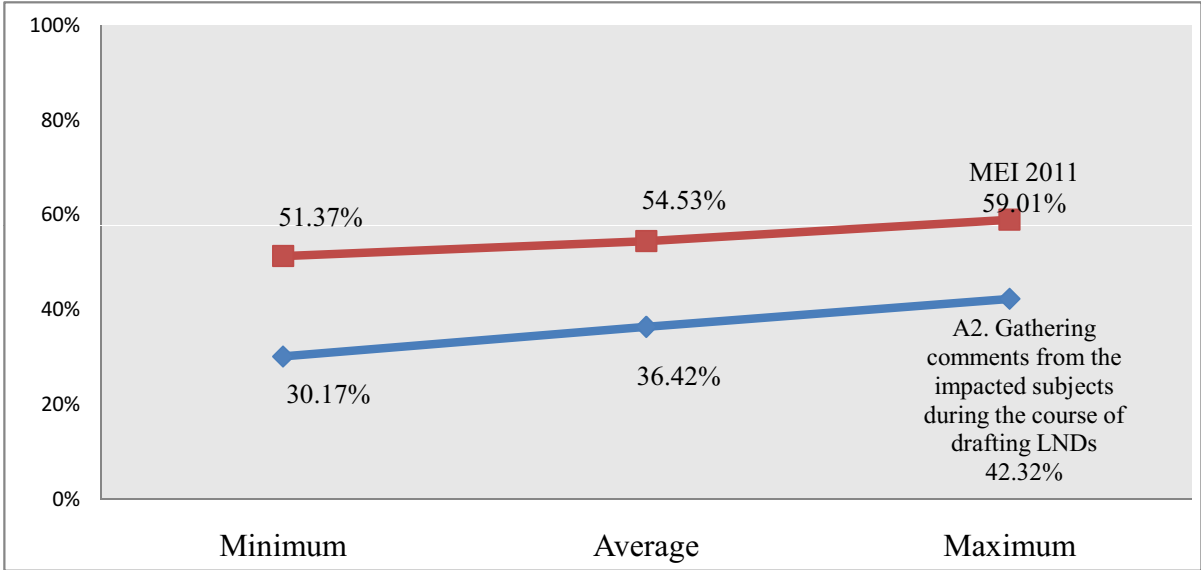
This index evaluates the necessity of LNDs relating to enterprises which are drafted by the Ministries as well as the effectiveness of the activities of assessment of impacts of draft LNDs drafted by the Ministries.

Of the whole 2011 MEI, this is the group of law activities that the Ministries are evaluated as most effective with the average score for all Ministries of absolute 74.3% for this sub-index. This is also the only single index that all Ministries are ranked “credit”, with the Ministry with highest score of absolute 79.6% points, and the lowest is 67.8%.

Accordingly, most of LNDs drafted by the Ministries in 2010 are evaluated as necessary to protect the benefits of enterprises and the people, to maintain fair competition and social order. The Ministries are also considered as having carried out assessment of impacts of draft LNDs to enterprises in a relatively full manner.

(ii) Index for effectiveness of the activities of gathering comments from enterprises and associations on draft LNDs

Table 3: Proportion of average/absolute points of sub-index on " Gathering comments from the impacted subjects during the course of drafting LNDs "



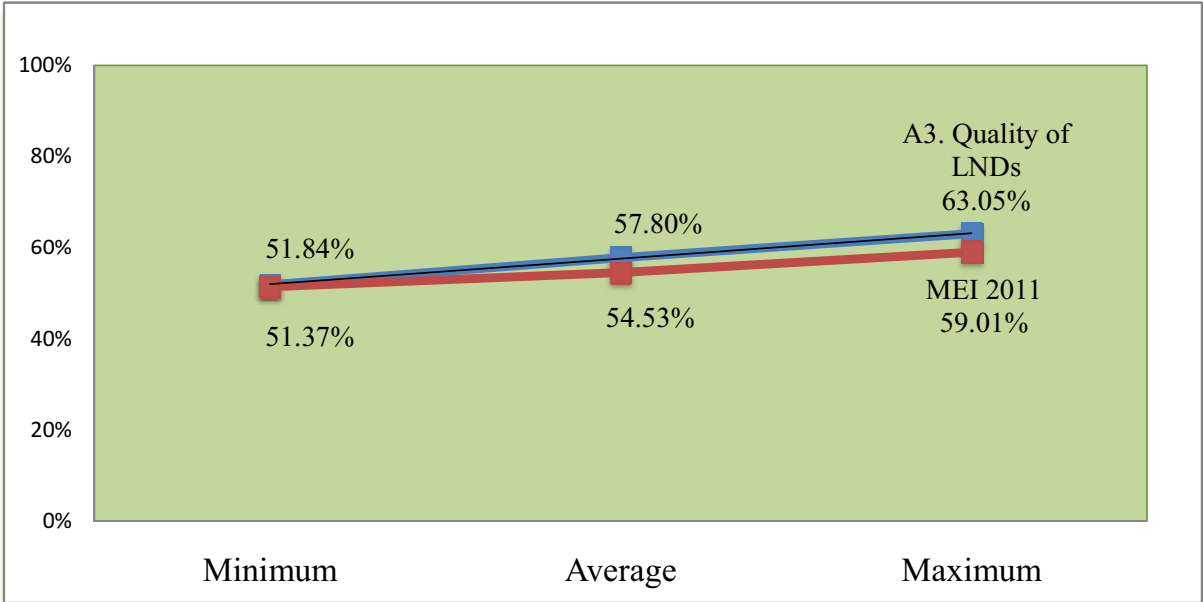
This Index evaluates the effectiveness of the Ministries regarding activities of consulting enterprises, associations in the course of LNDs drafting, both in terms of form and time limits for gathering comments, and the information provided by the Ministries to them so that they can give their appropriate and meaningful comments.

The overall results show that this index is the lowest of all indexes of 2011 MEI. All the Ministries fail to reach the average level for this index, with the lowest being 30.17% points and the highest being 42.32% only.

The distribution of scores of the Ministries in this index shows that the Ministries that are responsible for drafting general LNDs relating to all or a big groups of enterprises are more prudent, open and progressive regarding the activities of gathering comments from associations, enterprises. But the Ministries that are in charge of narrow specialised expertise areas are more close in the course of drafting relevant LNDs, with little effective consultation with enterprises, associations.

(iii) Index of LNDs quality in 2010

Table 4: Proportion of actual/absolute points of sub-index “Quality of LNDs”



This Index evaluates the transparency, integrity, feasibility and reasonableness of LNDs issued in 2010 by bodies of different levels and drafted by Ministries via the perception of associations of enterprises on each group of LNDs in the fields that the Ministries are in charge.

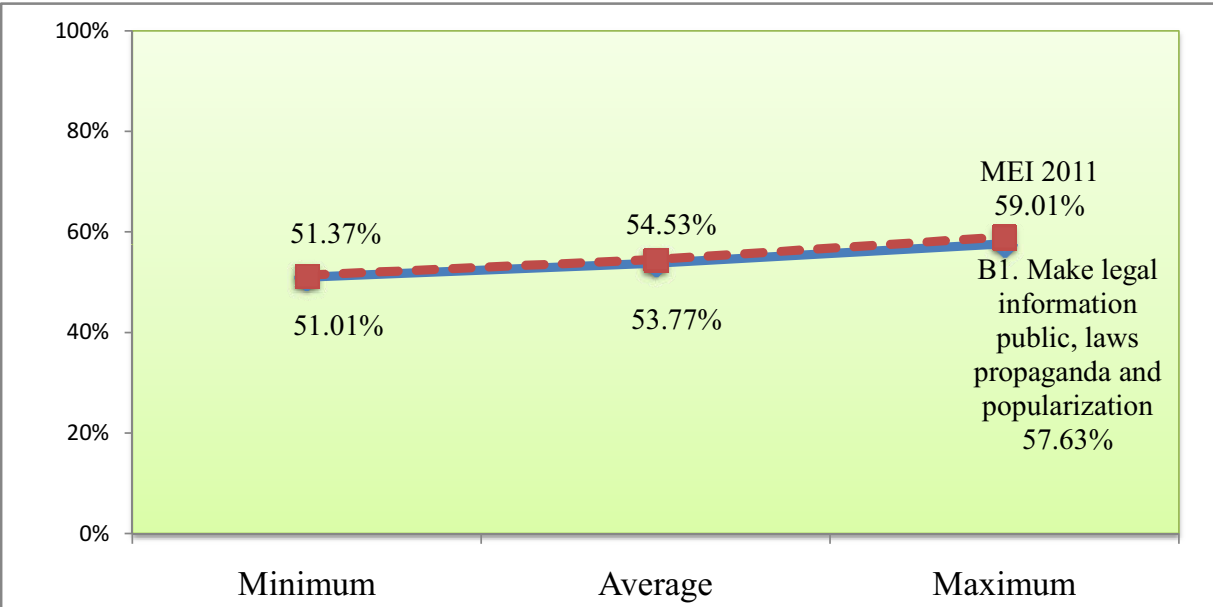
In 2011 MEI, this index is ranked in the moderate group (3rd of the 6 Sub-indexes). The scores of Ministries for this index are just above the majority level, with an average of 57.8% for this index (so effectiveness is ranked “high moderate”).

It also shows that the quality of LNDs issued by the Ministries are not outstanding in any aspect, including the relatively technical aspects such as accuracy, and plain words, clearness in provisions of rights and obligations or the procedures and formalities).

Regarding distributions of scores among the Ministries, the leading Ministries are those which have very few LNDs directly impacting the conditions for existence, operations and benefits of enterprises; and the lowest Ministries are those which have LNDs with direct and considerable impacts on the business activities and the benefits/incomes of enterprises.

(iv) Index for effectiveness of the activities of making public legal information and law propaganda and popularization

Table 5: Proportion of actual/absolute points of sub-index "Legal information disclosure and education"



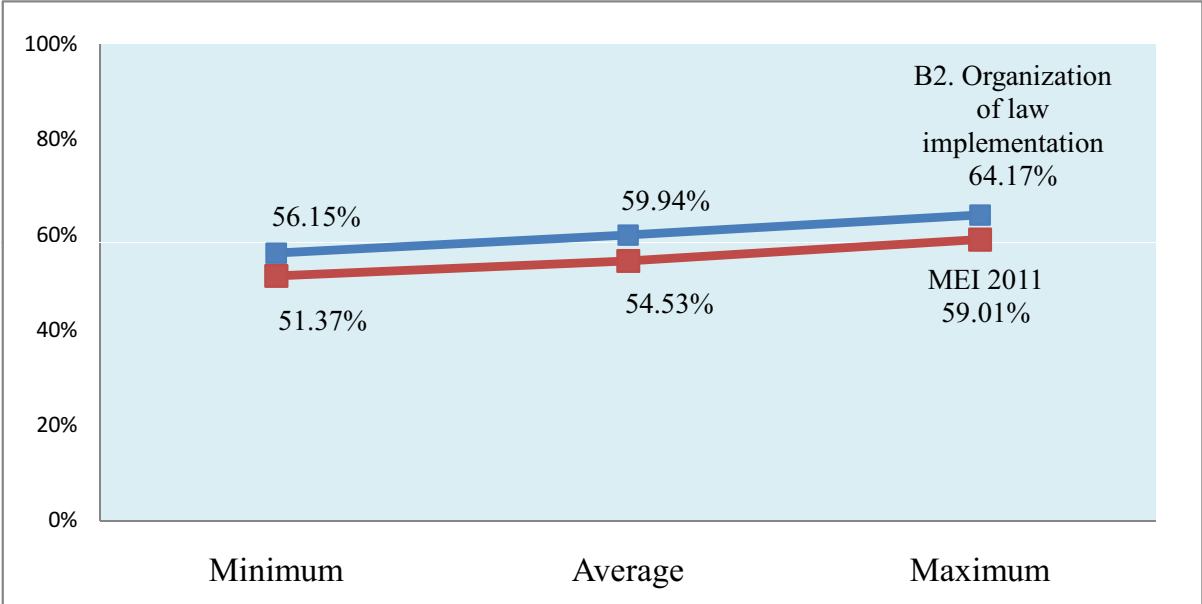
This index evaluates efficiency of the Ministries in the aspects of the activities of providing/making public, propagating and popularizing legal information in the fields the Ministries are in charge, including the forms and types of legal information of Ministries that can be assessible, as well as the level of fullness of such information and teh effectiveness of each modes of propaganda and popularization.

Though a group of acrtivities which are more technical and do not require in-depth expertise, the scores for this index are low (3rd of the whole 2011 MEI) with the average of all the Ministries of 53.77%, with lowest Ministry is given 51% and the highest is given 57.6%.

The distribution of scores of the Ministries shows that the effectiveness of the Ministries is all low and similarly low, with no Ministry ranked "credit", and the difference between the highest and the lowest is only 6.6%.

(v) Index for effectiveness of the activities of organizing law implementation

Table 6: Proportion of actual/absolute points of sub-index "Legal enforcement organization"



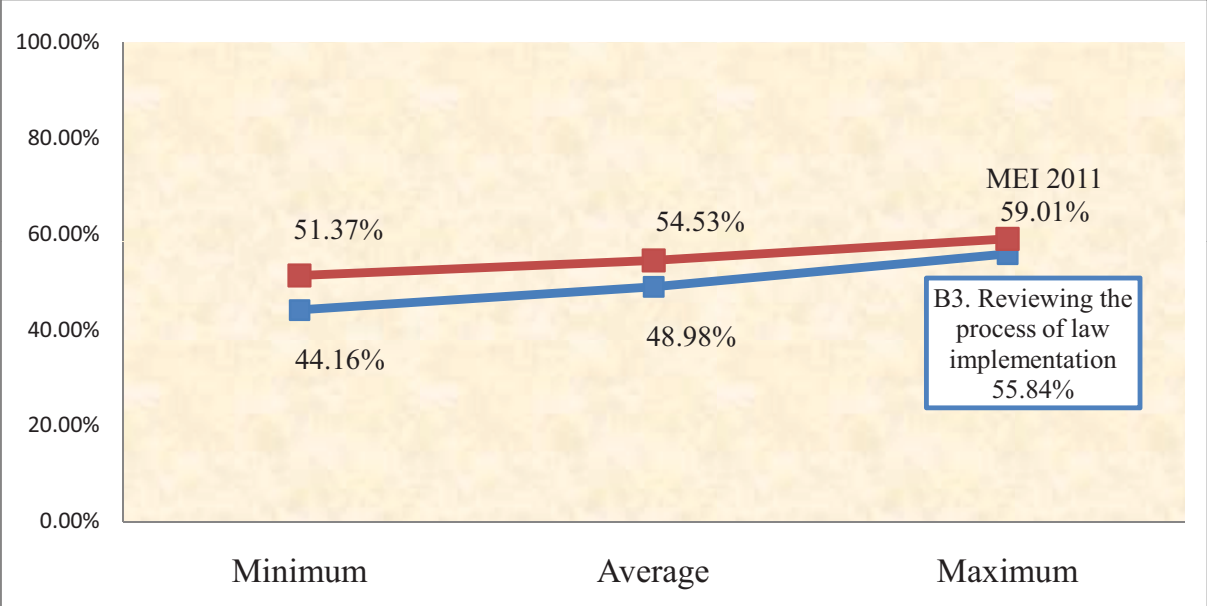
This index evaluates the effectiveness of the Ministries in 3 major aspects of this activity including (i) drafting sub-law documents (issuing implementing LNDs); (ii) activities of directly implementing the Ministries’s responsibilities as provided for by law and ensuring resources for implementation by State agencies; and (iii) dealing with problems arising from law implementation (settling entanglements in individual cases, accountability in big and typical cases).

This sub-index is the biggest “nice surprise” and is ranked second of the whole MEI, and on a weighted basis, this index is highest evaluated, with the average for the whole index being 59.94% (close to the “credit” level in the 5-scale of effectiveness of MEI). The highest Ministry is given 64.17%, while the lowest is as high as 56.15%. Of all sub-indexes, no Ministry is ranked below moderate.

About distribution of scores of Ministries in this index, it can be realized that the “famous” Ministries regarding biggest legal issues in reality, and they are at the same time the Ministries in charge of relatively in-depth management of business activities are ranked lower than the Ministries with less “inter-action” with enterprises.

(vi) Index for effectiveness of the activities of reviewing, examining and summing up law implementation

Table 7: Proportion of actual/absolute points of sub-index “Review and summary of legal enforcement”



This index evaluates effectiveness of Ministries in 2 basic aspects of the activities of supervision of law implementation, including (i) supervision of the organization of law implementation and application of law by State agencies (Ministries, lower-level units under Ministries and localities), and (ii) supervision of law compliance by organizations, individuals and LNDs reviewing.

With the overall average for all the Ministries is 48.98%, this index is the second lowest of the whole 2011 MEI.

The differences in scores of Ministries in this index shows that the review and supervision of law implementation basically do not depend on the number of enterprise-relating LNDs nor the level of control by Ministries on the operations of the enterprises but mainly depend on the efforts and determinedness of the Ministries in doing so.

In short

As a way to evaluate effectiveness of law activities of Ministries via the perception of associations of enterprises, 2011 MEI gives us an overall picture of the Ministries’s activities in this field in 2010, which is not a “bright” or “dark” picture. That the Ministries only get moderate scores, that is good enough to perform their functions and duties, but a long way to gain an effectiveness expected by the enterprises’ community. 2011 MEI thus is an illustration for the Ministries to have a more accurate and overall view on their activities of development and implementation of laws in reality which still have a lot of shortcomings. It also gathers recommendations for the Ministries to overcome and improve for the time to come.