

The Interrelationship between Formal and Informal Institutions and Its Impacts on the Autonomy of Public Service Delivery Units: The Case of Vietnam

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Abstract : This article draws on in-depth interviews with state employees at public hospitals and universities in its institutional analysis of the autonomy practices of public service delivery units in Vietnam. Unlike many empirical and theoretical studies that view formal and informal institutions as complements or substitutes, this article finds no evidence of complementary or substitutive relationships. Instead, the article finds that formal institutions accommodate informal ones and that informal institutions tend to compete and interfere, with the existing and ineffective formal institutions. The result of such conflicting relationship is that the actual autonomy of public service delivery units is, in most cases, perceived to be greater than the formal autonomy they are given. In the condition of poor regulation, the informal autonomy may result in unethical practices including rent-seeking and corruption. The implication of the study finding is policy-makers need to redesign and reorganize the autonomisation of public service delivery units to make informal institutions support and reinforce formal ones in a complementary manner.

Keywords : autonomy, formal institutions, informal institutions, public service delivery units, Vietnam

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