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“The role of dialogue and networking:
From a transitional to an industrialized country”

Business Associations in Vietnam

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Abstract

Vietnam now is in process of transition to market economy. Economic and social development depends not only on strong government institutions but also on wide range of civil society organizations that facilitate political and social interaction and mobilize various groups in society to participate in economic, social and political activities. A key role in creating free market structure in Vietnam will be played by private sector institutions and businesses. Along side policy reforms must come a substantial strengthening of those institutions that implement policy and that support private sector.

The purpose of this paper is to present the situation of business associations in Vietnam as a part of institutional structure of the country and to analyze their performance in terms of interest mediation between separate economic actors and the state and self-regulation within the fields they represent .

The paper is based on the empirical study in Vietnam. The performance of newly established associations is analyzed from theoretical perspectives with consideration of the role of institutions and associations and also of such aspects as public goods, rational choice, affective bonding, normative conformity etc.

The overall operational performance of those organizations is generally unsatisfactory. We find that for the formation and development of business associations in Vietnam there is a need of synergized efforts of different related players. But in current situation, for representation and promotion activities of private sector organizations at the first stage of their development, special attention and priority must be given to the sectoral associations rather than geographical or big umbrella associations.

Keywords: Business associations, institutional changes, Vietnam