

## COMMENTS ON PROPOSED DECREE PERTAINING TO CONTRACTUAL PERSONNEL

### I. Objectives of Draft Decree

Provide standards for the hiring of contractual personnel by:

1. Providing a schedule of comparability of degrees and equivalent diplomas to be used as a basis for qualification requirements, and
2. Assigning salary index numbers to the various categories of degrees and equivalent diplomas.
3. *Facilitate integration into cadres.*

### II. Analysis of Present and Proposed Provisions

#### A. Present Provisions

Arrete No. 739-NV of 25 June, 1954 as amended provides that persons possessing certain degrees recognized by a Committee established for evaluating such degrees may be appointed to category A positions. Their salaries and allowances shall be computed as equal to 100% of the base salaries (after deduction of retirement contributions) and allowances granted to permanent civil servants of the same cadre step and family status. They may also be appointed to category B-1.

#### B. Problems in the Present System

1. At the present time before a contractual may be hired his degree must be approved by the Committee on Degrees. Upon appointment he is to receive the same salaries and allowances as those granted to permanent civil servants of the same cadre step and family status. The only guides for determining the appropriate pay are the guides (degrees) for appointments to the cadres. These guides are principally in the general educational and administrative categories. Increasingly the number of contractuels hired are in technical fields and there are no guides for determining their pay and allowances.

2. Without determining the equivalents of degrees and diplomas in the technical fields and through more or less arbitrary assignment of pay rates to contractuals a disparity in salaries and allowances is appearing. This is true not only among the contractuals themselves but also when comparing them with the salaries and allowances of cadre members.

3. There is need for more high caliber government employees with only a limited number of highly qualified persons available and with private enterprise attracting more and more of them by payment of larger salaries and allowances. Government service must be made sufficiently attractive to obtain its share of such persons available for employment.

#### C. Proposed Decree

1. The proposed decree has no basic changes in the nature of contractual employment. The pertinent provisions are brief and as follows:

"The employees recruited by contract will be entitled according to their degree(s) to an index of base salary as determined in the listing attached to this Decree."

"The indices of base salary mentioned above will be applied starting from the date of promulgation of this Decree.

"However, the contractual employees recruited by the old regime will continue to enjoy the salary index determined in their contract until its termination. If the contract is renewed thereafter, they will enjoy the base salary index provided for in Art. 1 here above."

2. The procedure for hiring contractuals will be standardized and simplified by the use of the table of equivalents of degrees and diplomas appointed to the decree. The degrees and equivalent diplomas have been equated with those now found in the cadre status. Definite salary index numbers have been assigned to each category

of degree and equivalent diplomas.

### 3. Differences

a. The present statutory provisions specify:

(1) That contractuels shall be hired for a one-year period and that their contracts may be renewed. The proposed decree specifies no time limit for the contracts.

(2) That the contractual salaries and allowances shall be equal to those of the civil servant cadre members except for base salaries which shall be equal to those of cadre members after deductions for retirement purposes (6%).

The proposed decree contains no mention of the provisions in the exception above.

### III. Comments

A. These comments pertain primarily to the category of contractual personnel. A brief summary of the various categories of personnel working for the government is outlined here in order to show the position of contractuels in the total government work force.

1. Permanent status - cadre members. This category is the hard core or backbone of the civil service system. Its purpose is to encompass all permanent positions of both administrative and technical natures. In principle all other government employees will be temporary employees. This has not been accomplished mainly because of the rapid expansion into new activities of the newly independent government and the lack of an adequate number of sufficiently trained persons to fill such positions. Traditionally this category has been an elite class and prior to Arrete No. 1027-TtP-CB of June 16, 1958 no other government employ was entitled to receive more than

90% of the pay of a cadre member with equivalent qualifications.

2. 2. Contractuals. This category of employees is a counterpart of the cadre category in the higher levels of positions. Since the promulgation of Arrete 1027 they have enjoyed the same salaries and allowances of cadre members. Special incentives were given to many of these employees in order to get them to return to Viet Nam from either study or work abroad to work for the government. This category as well as the three categories following do not enjoy any tenure of employment or retirement benefits nor do they have any planned program of promotions.

3. Journalier

This category embraces those employees with lower qualifications. They have lower pay scales and allowances. Originally these employees were considered as day workers but at the present time for all practical purposes they are considered as continuing monthly paid employees. They constitute the largest single category of employees in the government.

4. Floating Personnel

These employees comprise the menial type workers. Some are paid on a monthly basis while others are paid on a daily basis.

5. Flat sum Paid Personnel.

The number of employees in this category is small. They are more truly contract personnel in the Western sense of the term than are the contractuals who more closely resemble regular employees. They are paid a flat sum for services performed.

Apparently the prestige of the elite cadre class is no longer sufficient attractive for obtaining the best qualified personnel for the government. This is emphasized by the fact that many of the best qualified people are going to better positions in private employment and the fact that the government has had to provide special incentives to get some of these people to work for it. In some instances there incentives have been so great as to give these employees substantially greater advantages over cadre members.

One of the reasons for this situation may be the lack of any important incentives for entry into cadres - the requirements are rigid as to education qualifications and age - and for self-improvement and the assumption of greater responsibility after entry into a cadre. Promotions, with their resulting status, are more or less regular and are not specifically related to job performance nor responsibility. There is no concerted attempt to comply with the constitutional provision of "equal pay for equal work," and hence little reward for assuming greater responsibility.

The strengthening of the contractual system of employment is proposed as a temporary measure to relieve the pressure on the government in areas where the cadre system does not meet the needs. It does nothing to strengthen the cadre system, which is the backbone of the civil service system. As a matter of fact, to the extent special incentives inhere to the contractuels the cadre system will suffer. They will create dissatisfactions among the cadre members.

Viet Nam is going through a period of rapid change. Plans are under way for expanding her industry and commerce. The government is, and must be expanding, not only to meet the needs of the added responsibilities of a newly independent government but of an expanding economy. The present cadre system is not adequate to meet these needs. With increased specialization resulting from the carrying on of such highly

technical operations as those required in a modern international air terminal or an atomic research center, it is no longer possible to recruit generalists with a general educational background into a cadre and then assign them to such widely diverse activities as mentioned above.

The strengthening of the contractual system will undoubtedly alleviate the pressing needs at the moment, but it is difficult to see how it could ever be abandoned at a later date without first strengthening the cadre system to meet these needs. If on the other hand, these temporary measures continue on indefinitely, and the staff of contractuels is built up to any extent, they may well replace the cadre members as the elite class of the government employees. They will be among the best qualified employees and will be in positions much more difficult to fill than the more general type of positions now filled by cadre members. If future contracts for employment are for an indefinite period rather than for a one-year period as at present (as appears to be the case from the draft decree) there will tend to be more permanence to these jobs. These employees will be in an excellent position to press the government for equal or better treatment than that given to cadre members in such matters as tenure, promotions and retirement provisions. It hardly seems fair to ask these people to accept some of the most difficult and most responsible positions in government and then give them treatment inferior to that accorded to cadre members.

The adoption of standards for the selection of personnel is a desirable objective. The proposed standards are an extension of the present standards for the cadre system. Consideration should be given to whether these are the best ones that could be established for the contractuels. For the most part, cadre members are in more generalized types of jobs than are the contractuels. For the more specialized and technical types of work performed by contractuels it may be that on-the-job performance

(experience in some other employment) would be as good or even better criterion for selection than only formal education. This is the more true to the extent that these employees are hired for specific types of jobs and are not rotated through various different jobs.

Among the more immediate affects from the implementation of this draft decree will be the adjustment of salaries of the contractual group. Some of them will benefit from the changes and others will suffer some loss of income. While there may be some immediate dissatisfaction, in the long run this should be overcome by the equity of treatment among the contractual employees.

To the extent this may appear to cadre members to be an employment system in competition with theirs, there may be antipathy built up among them.

In conclusion, most governments find it necessary to hire contract employees, but this is usually limited to unique positions. Because they are unique positions the same set of standards and requirements as are used for regular civil servants are not suitable for them. The proposed decree has the appearance of formalizing the personnel management for another category of employees, more or less as a counterpart to the cadre system, rather than providing for the hiring of employees for unique positions. It should alleviate some of the government's problems on a short-range basis, but it may well further complicate the total government employee program on a long-range basis.