

The University of Hong Kong

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Department of Politics and Public Administration

Presents

Participation in Legal Drafting and Compliance with Business Regulation: Evidence from Vietnam

International development organizations invest millions of dollars each year into legislative participation campaigns in an effort to foster improved governance. This work has been undergirded theoretically by political scientists in the Deliberative Democracy tradition, who argue that participation in the drafting of new rules, through public comment periods, provides information about citizens' needs and preferences to government. Governments can then use this information to make laws and regulations that will enjoy wider societal compliance. Studies in psychology and organizational behavior also indicate that individuals are more likely to follow rules they have had the opportunity to influence. We propose that a similar dynamic between participation and compliance applies among businesses as well. We test this theory using survey data from an emerging economy, where we find that a firm is more likely to comply with business regulations when it has participated in the design of the regulatory framework. However, we find evidence that this relationship only holds when the firm sees government to be attentive to its input, and that participation may actually be associated with less compliance when government is seen to be disinterested. We note the significant issues of selection bias, and therefore discuss the design of an ongoing field experiment, where we randomize opportunities for participation by small businesses in Vietnam to a forthcoming regulation on storage of hazardous chemicals.

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Edmund Malesky is an Associate Professor of Political economy at Duke University, specializing on the political economy of Vietnam. He is currently visiting the National University of Singapore Business School. Malesky received a state medal from the Government of Vietnam for his role in promoting economic development as the lead researcher for the US-AID's Vietnam Provincial Competitiveness Index. He was appointed by President Obama to serve on the board of the Vietnam Education Foundation; a program dedicated identifying talented Vietnamese for doctoral training in the United States. He is a noted specialist in economic development, authoritarian institutions, and comparative political economy in Southeast Asia. He has published in leading political science and economic journals, including the *American Political Science Review*, *Journal of Politics*, *Quarterly Journal of Political Science*, *British Journal of Politics*, and *Journal of Law, Economics, and Organization*. Malesky has been awarded the Harvard Academy Fellowship, the Gabriel Almond Award for best dissertation, the International Political Economy Society Best Paper Award, the Rockefeller Bellagio Residency Fellowship.

Date: 3 April 2014 (Thursday)

Time: 3:30 pm

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