

Leaner Government, Heavier Burden: Redefining Roles in Vietnam's Transition to a Two-Tier Local Government

Administrative reform is never merely a technical exercise. The bureaucratic structure of a state constitutes its institutional load-bearing system, shaping how authority is exercised, resources are allocated and public value is delivered. Altering this structure is akin to removing the central columns of a skyscraper: while the promise is a leaner and more open design, the remaining foundations must instantaneously absorb immense pressure to prevent institutional failure.

Such an operation is feasible only through precision engineering. In contemporary governance, digital platforms, integrated data systems and artificial intelligence (AI)-enabled workflows function as dynamic reinforcements – redistributing administrative load, strengthening institutional joints, and enabling real-time coordination and oversight. Drawing on international best practices from advanced administrative states, these tools transform what would otherwise be a high-risk act of demolition into a controlled exercise in institutional redesign.

Confronting both the risks and the opportunities of such a transformation, Vietnam embarked in 2025 on one of the most ambitious administrative reforms in its modern history: transitioning from a three-tier to a two-tier local government system. Effective from 1 July 2025, the state abolished nearly 700 district units, consolidated the apparatus into provincial and communal levels, and redefined administrative authority distribution. Designed to address bureaucratic inefficiencies and boost national development, the reform promised a leaner government that bodes well with faster decision-making and lower administrative costs. At the same time, it transferred a significantly heavier burden to the remaining tiers, particularly the commune level, which emerged as the new frontline executive authority.

This case study examines Vietnam's high-stakes transition to a two-tier local government system as a real-time test of modern state capacity in the digital era. It traces the historical evolution and structural limitations of the former three-tier model, outlines the political and legislative foundations of the reform, and documents the scale of the resulting administrative consolidation and decentralisation. The case analyses the resulting redistribution of responsibilities, human resources, and risks across provinces and communes, while also assessing the role of digital platforms and AI-enabled governance in compensating for the loss of intermediary administrative layers. Drawing on stakeholder perspectives from government authorities, businesses and citizens, it highlights unresolved tensions between structural streamlining, local capacity, accountability and inclusive access to public services. The case study concludes with an unresolved challenge, posing critical questions about state capacity, digital transformation and the future of public service delivery in Vietnam.

Administrative Restructuring and National Development

For decades, the Socialist Republic of Vietnam operated a highly centralised, multi-tiered administrative state. While this structure provided stability during periods of rapid transformation, over time it became a growing constraint on development. The state apparatus itself came to be identified as the “bottleneck of all bottlenecks”¹ – a system so layered and redundant that administrative costs accounted for an estimated 70%

¹ Tri Long Ngo, “To Address Institutional Bottlenecks,” VnEconomy, January 6, 2025, <https://en.vneconomy.vn/to-address-institutional-bottlenecks.htm>.

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of annual state expenditure, crucially limiting funds for development investment.² Incremental reform proved insufficient to address these structural inefficiencies, prompting calls for a more radical solution.

In a strategic decision without precedent, and with an equally unprecedented degree of political resolve, Vietnam's top leadership mandated the most ambitious administrative restructuring in the country's modern history. Effective from 1 July 2025, the government abolished the entire district-level administration, replacing the long-standing three-tier local government system (province–district–commune) with a leaner two-tier model (province–commune). Approximately 696 district units were eliminated, thousands of communes were consolidated, and the roles, powers, and accountability of local authorities were fundamentally redefined.³

This restructuring was framed as a necessity for national development. It promised a leaner government with fewer bureaucratic layers, reduced functional overlap, faster decision-making and significant administrative cost savings. Yet this structural simplification came with an unavoidable trade-off. By removing the intermediary district tier, the reform shifted a heavier burden onto the remaining levels of government, particularly the commune. As the new frontline executive authority, communes suddenly inherited the majority of operational functions previously exercised by districts, ranging from regulatory enforcement to complex service delivery. This abrupt redistribution of authority produced a profound decentralisation shock at the grassroots, where mandates expanded far more rapidly than institutional capacity, skills and supporting systems could be developed.

The timing of the reform further heightened its significance. Vietnam implemented this overhaul amid an ambitious national push for digital transformation, AI-enabled governance and institutional modernisation, drawing selectively on international best practices from advanced administrative states. Digital platforms, integrated data systems and automation are expected to compensate for the loss of intermediary layers by enabling real-time coordination, oversight and service delivery across a flatter administrative structure. Whether these tools can effectively substitute for organisational depth and human capacity, however, remains an open and consequential question.

The Legacy of a Three-Tier Local Government System (Pre-2025)

Vietnam's administrative structure was traditionally designed according to the Soviet-style "centralised and subsidised bureaucratic management system"⁴ under the leadership of the Communist Party of Vietnam. Since the 1945 revolution, the country has operated with a central government and three subnational tiers: the province (*tỉnh*), the district (*huyện*) and the commune (*xã*) (see Figure 1).⁵ In this traditional hierarchy, the provincial tier acted as the primary administrative arm of the central government. It was responsible for strategic planning, high-level oversight and the allocation of state budgets to lower levels. Meanwhile, the district tier served as a crucial intermediary level. Its primary function was to manage and coordinate the implementation of provincial directives across multiple communes within its jurisdiction. Lastly, the commune tier represented the frontline of state management. As the grassroots tier, it was responsible for direct administration and service delivery, interacting most closely with citizens and local communities.⁶

² Tu Giang and Lan Anh, "Investment or Stagnation: Vietnam's High-Stakes Budget Reform," VietNamNet Global, November 30, 2024, <https://vietnamnet.vn/en/investment-or-stagnation-vietnam-s-high-stakes-budget-reform-2334913.html>.

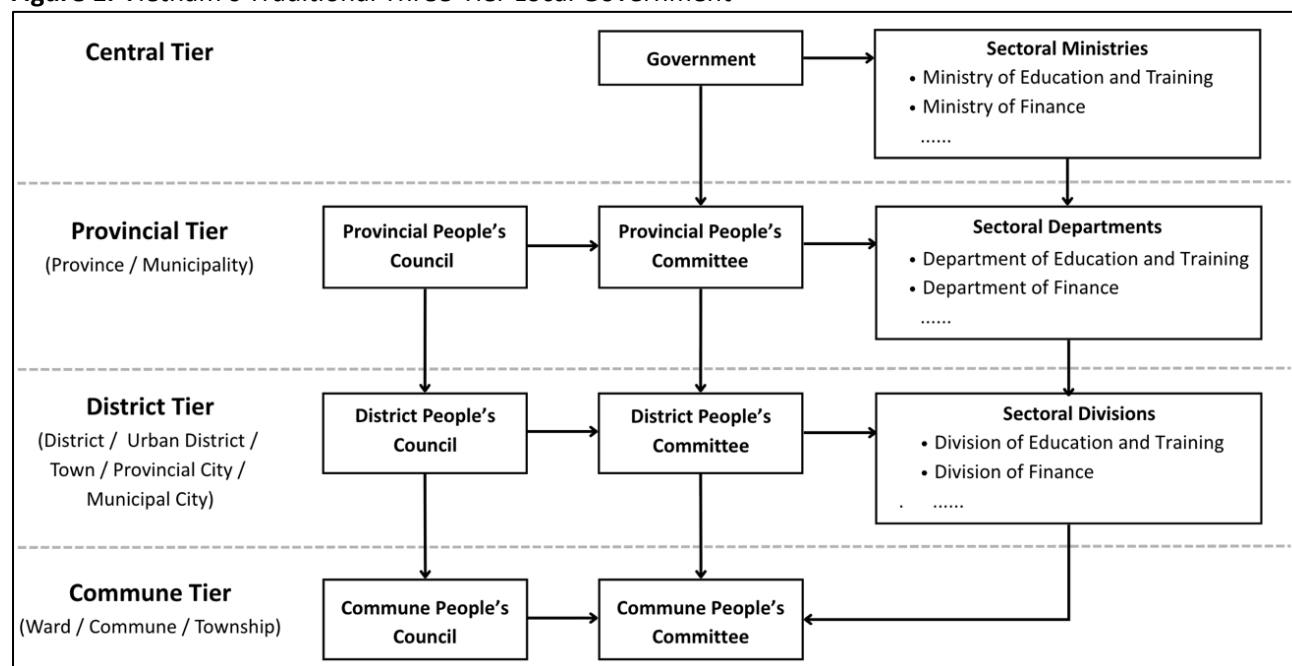
³ Thi Phuong Nguyen, "Vietnam's 2025 Constitutional Reform: Reconstructing Local Governments," ConstitutionNet, May 23, 2025, <https://constitutionnet.org/news/voices/vietnams-2025-constitutional-reform-reconstructing-local-governments>.

⁴ Martin Painter, "Public Administration Reform in Vietnam: Foreign Transplants or Local Hybrids?" in *Asian Socialism and Legal Change: The dynamics of Vietnamese and Chinese Reform*, ed. John Gillespie and Pip Nicholson (ANU Press, 2005), 267–87, <https://press-files.anu.edu.au/downloads/press/p125661/pdf/book.pdf>.

⁵ Ngoc Hien Nguyen, "UCLG Country Profiles: Socialist Republic of Vietnam," United Cities and Local Governments (UCLG), accessed December 5, 2025, <https://www.gold.uclg.org/sites/default/files/Vietnam.pdf>, 1-2.

⁶ PricewaterhouseCoopers Vietnam (PwC), "Snapshot On Vietnam's Administrative Reform 2025," July 28, 2025, <https://www.pwc.com/vn/en/publications/vietnam-publications/vietnam-administrative-reform.html>.

Figure 1. Vietnam's Traditional Three-Tier Local Government⁷



At each tier of Vietnam's former administrative hierarchy, the local state apparatus consisted of a People's Council as the representative body, a People's Committee as the executive authority and specialised sectoral agencies (except at the commune level). The People's Council functions as the local representative body, embodying the will and aspirations of the local population. The People's Committee, elected by the Council, acted as its executive body and the primary state administrative agency at the local level. Specialised agencies are units that assist the People's Committees at the provincial and district levels in performing state management functions according to their respective sectors (such as finance, education, health and construction), operating under the direction of the People's Committees and higher-level specialised agencies on professional matters.⁸

In principle, this structure combined political representation with executive administration and sectoral management. In practice, governance capacity at any tier depended not on institutional autonomy but on the cumulative – and often fragmented – output of multiple, vertically aligned departments operating under both local and central authorities. This configuration entrenched a hierarchical, compliance-driven system rather than one oriented towards problem solving or service delivery.⁹

This model was a legacy of the central planning era, designed to ensure uniform control across a geographically diverse country. After national reunification in 1975, Vietnam initially consolidated administrative units to centralise authority. However, the subsequent decades – particularly following *Đổi Mới*¹⁰ – saw extensive

⁷ Author's own illustration based on Phuong Duy Nguyen et al., "Insights into PCI and DDCI as Key Metrics for Measuring Subnational Competitiveness in Vietnam," *Institutiones Administrationis - Journal of Administrative Sciences* 4, no. 1 (June 26, 2024): 115–28, <https://doi.org/10.54201/iajas.v4i1.102>.

⁸ The Office of the National Assembly of Vietnam, "Văn Bản Hợp Nhất Luật Tổ Chức Chính Quyền Địa Phương [Consolidated Law on the Organization of Local Government 2019] (Law No. 22/VBHN-VPQH)," December 16, 2019, <https://congbao.chinhphu.vn/van-ban/van-ban-hop-nhat-so-22-vbhn-vpqh-31021.htm>.

⁹ Thaveeporn Vasavakul et al., "Public Administration and Economic Development in Viet Nam: Reforming the Public Administration for the 21st Century," in *Reforming Public Administration in Viet Nam: Current Situation and Recommendations*, ed. Jairo Acuña-Alfaro (United Nations Development Programme in Viet Nam, 2009), 41–133, <https://www.undp.org/vietnam/publications/reforming-public-administration-viet-nam-current-situation-and-recommendations>.

¹⁰ *Đổi Mới* ("renovation") refers to the sweeping economic and political reforms launched by the Communist Party of Vietnam in December 1986, transitioning the country from a Soviet-style, centrally planned economy toward a socialist-oriented market economy. The reforms liberalised prices, decollectivised agriculture and opened Vietnam to foreign investment.

subdivision, with the number of provinces rising to 63, districts to nearly 700 and communes to over 10,000.¹¹ This expansion was driven by the need to facilitate population management, local planning and socio-economic development within each administrative unit, while also ensuring resource allocation for remote and mountainous areas and strengthening the oversight capacity of superior authorities over lower levels.¹²

Structural Failures of the Three-Tier Model

While well-intentioned, the proliferation of administrative units ultimately increased fragmentation and diluted capacity, especially at the grassroots level.¹³ Although decentralisation reforms transferred some fiscal authority to provinces, responsibilities remained poorly defined. Commune- and ward-level authorities routinely required approval from higher levels for even routine administrative actions, reinforcing the entrenched “ask-give” mechanism (*cơ chế xin-cho*). Decision-making became dependent on discretionary clearance rather than rules-based authority, incentivising delay, rent-seeking and risk aversion.¹⁴

Over time, the three-tier system produced a fundamental institutional paradox: Vietnam successfully transitioned to a market-oriented economy, but its administrative machinery remained anchored in central planning logic.¹⁵ Despite decades of deliberate reform effort, progress was deemed slow and resulted in limited impact, with the state apparatus often expanding rather than contracting.¹⁶ The system continued to be marked by deep-seated structural inertia, as evidenced by persistent fragmentation and redundancy, high costs and waste, institutional rigidity, and red tape and corruption.

Fragmentation and Redundancy

The multi-layered structure translated into an unnecessarily high number of officials and cumbersome local government units.¹⁷ Roles and responsibilities across the three local tiers were often unclear, leading to duplication where some tasks were performed by all three levels simultaneously.¹⁸ The presence of the intermediary district layer often hindered effectiveness because the planning party (the province) and the executing party (the district) were not always aligned, creating a governance chain that lacked cohesion.¹⁹

High Costs and Waste

The apparatus was oversized and inefficient, leading to high administrative expenses that accounted for approximately 70% of the state budget. The system maintained approximately four million public sector employees, with a density of 43 workers per 1,000 residents (excluding military and police), a ratio significantly

¹¹ Thi Thu Huong Thieu, “Tổ Chức và Hoạt Động Chính Quyền Địa Phương ở Việt Nam – Thực Trạng và Yêu Cầu Đổi Mới [Organization and Operation of Local Government in Vietnam – Current Situation and Requirements for Reform],” *Tạp Chí Quản Lý Nhà Nước [Journal of State Management]*, April 22, 2025, <https://www.quanlynhanuoc.vn/2025/04/22/to-chuc-va-hoat-dong-chinh-quyen-dia-phuong-o-viet-nam-thuc-trang-va-yeu-cau-doi-moi/>.

¹² Tri Duc, “Căn Cứ Chính Trị, Pháp Lý, Thực Tiễn và Sự Cần Thiết Sắp Xếp Lại ĐVHC Các Cấp và Xây Dựng Mô Hình Tổ Chức Chính Quyền Địa Phương 02 Cấp [Core Values, Legal Basis, Practical Considerations, and the Necessity of Reorganizing Administrative Units at All Levels and Establishing a Two-Tiered Local Government Organizational Model],” *Tạp chí Tổ chức Nhà nước và Lao động [Journal of State Organization and Labour]*, April 13, 2025, <https://tcnnld.vn/news/detail/67978/Can-cu-chinh-tri-phap-ly-thuc-tien-va-su-can-thiet-sap-xep-lai-DVHC-cac-cap-va-xay-dung-mo-hinh-to-chuc-chinh-quyen-dia-phuong-02-cap.html>.

¹³ Tri Duc, “[Core Values, Legal Basis, Practical Considerations, and the Necessity].”

¹⁴ Martin Gainsborough et al., “Corruption, Public Administration Reform and Development: Challenges and Opportunities as Viet Nam Moves towards Middle-Income,” in *Reforming Public Administration in Viet Nam: Current Situation and Recommendations*, ed. Jairo Acuña-Alfaro (United Nations Development Programme in Viet Nam, 2009), 379–430, <https://www.undp.org/vietnam/publications/reforming-public-administration-viet-nam-current-situation-and-recommendations>.

¹⁵ Vasavakul et al., “Public Administration and Economic Development in Viet Nam.”

¹⁶ Khắc Giang Nguyen, “Vietnam’s Bureaucratic Reforms: Opportunities and Challenges in ‘the Era of National Rise,’” ISEAS – Yusof Ishak Institute, February 20, 2025, https://www.iseas.edu.sg/wp-content/uploads/2025/01/ISEAS_Perspective_2025_14.pdf, 3.

¹⁷ Nguyen, “Vietnam’s Bureaucratic Reforms,” 3–4.

¹⁸ Tri Duc, “[Core Values, Legal Basis, Practical Considerations, and the Necessity].”

¹⁹ PwC, “Snapshot On Vietnam’s Administrative Reform 2025.”

higher than regional peers like Singapore or India.²⁰ This fiscal drain not only precluded meaningful salary reform but also severely crowded out critical investment for national development, infrastructure and social programmes.²¹ Furthermore, institutional waste was evident in the mismanagement of public assets; as of late 2024, over 11,000 public properties remained neglected or underutilised, consisting primarily of vacant administrative headquarters, schools and local medical stations.²²

Institutional Rigidity

The apparatus was defined by an extreme lack of agility, largely due to the systemic “ask-give” mechanism. By governing through administrative orders, the system made lower-level progress entirely dependent on discretionary clearance from superiors. This fostered a fear of accountability among officials, who often preferred to delay critical decisions or wait for explicit directives rather than risk independent action.²³ Such rigidity prevented the state from keeping pace with the needs of a market economy, which requires transparency and facilitation rather than rigid command.²⁴

Red Tape and Corruption

The redundant nodes of decision-making provided fertile ground for corruption and harassment for bribes. For property investors, securing project approval often required obtaining 30 to 40 stamps from different local departments, a procedural ordeal that typically spanned two to three years.²⁵ Such complex and cumbersome administrative procedures created ample opportunities for the commercialisation of state power and persistent red tape.

The Transition to a Two-Tier Local Government System

Faced with the persistent challenges, the Vietnamese leadership concluded that the existing administrative structure had become a primary bottleneck to economic growth.²⁶ Hence, the transition to a two-tier model was framed as a strategy to overcome legacy inefficiencies: streamlining is essential for a flatter governance structure that links provincial strategy directly to grassroots implementation.

The Legislative Foundation of the Reform

The shift to a two-tier model was executed through an unusually rapid and disciplined legislative process (see Annex 1). The momentum for this administrative revolution began in 2017 with Resolution No. 18-NQ/TW (dated 25 October 2017), which established the original long-term goal of restructuring the political system for more streamlined and efficient operations. However, it was not until early 2025 that top leadership officially provided the specific mandate to study the abolition of the district-level administrative tier and the merger of provincial units through Conclusion No. 126-KL/TW (dated 14 February 2025). This was followed by the formal approval of the policy to organise a two-tier local government system via Resolution No. 60-NQ/TW (dated 12 April 2025).²⁷ Following this directive, the National Assembly formally approved the sweeping reform agenda

²⁰ Tu Giang and Lan Anh, “Investment or Stagnation.”

²¹ Tu Giang and Lan Anh, “Investment or Stagnation.”

²² Tuong Minh, “4.226 Trại Sở Dôi Dư, 11.000 Tài Sản Công Chưa Được Khai Thác, Sử Dụng Hợp Lý - Đại Biểu Quốc Hội Mong Có Những Chỉ Đạo Quyết Liệt [4,226 Surplus Office Buildings, 11,000 Public Assets Not yet Exploited or Used Rationally - National Assembly Representatives Hope for Decisive Directives],” *Báo Điện Tử Pháp Luật Việt Nam [Vietnam Law Newspaper Online]*, June 17, 2025, <https://baophapluat.vn/4226-tru-so-doi-du-11000-tai-san-cong-chua-duoc-khai-thac-su-dung-hop-ly-dai-bieu-quoc-hoi-mong-co-nhung-chi-dao-quyet-liet-post552051.html>.

²³ Hai Thanh Nguyen and Phan Le, “Vietnam Redraws Its Administrative Map,” East Asia Forum, September 3, 2025, <https://eastasiaforum.org/2025/09/03/vietnam-redraws-its-administrative-map/>.

²⁴ Ngo, “To Address Institutional Bottlenecks.”

²⁵ Nguyen, “Vietnam’s Bureaucratic Reforms,” 4.

²⁶ Ngo, “To Address Institutional Bottlenecks.”

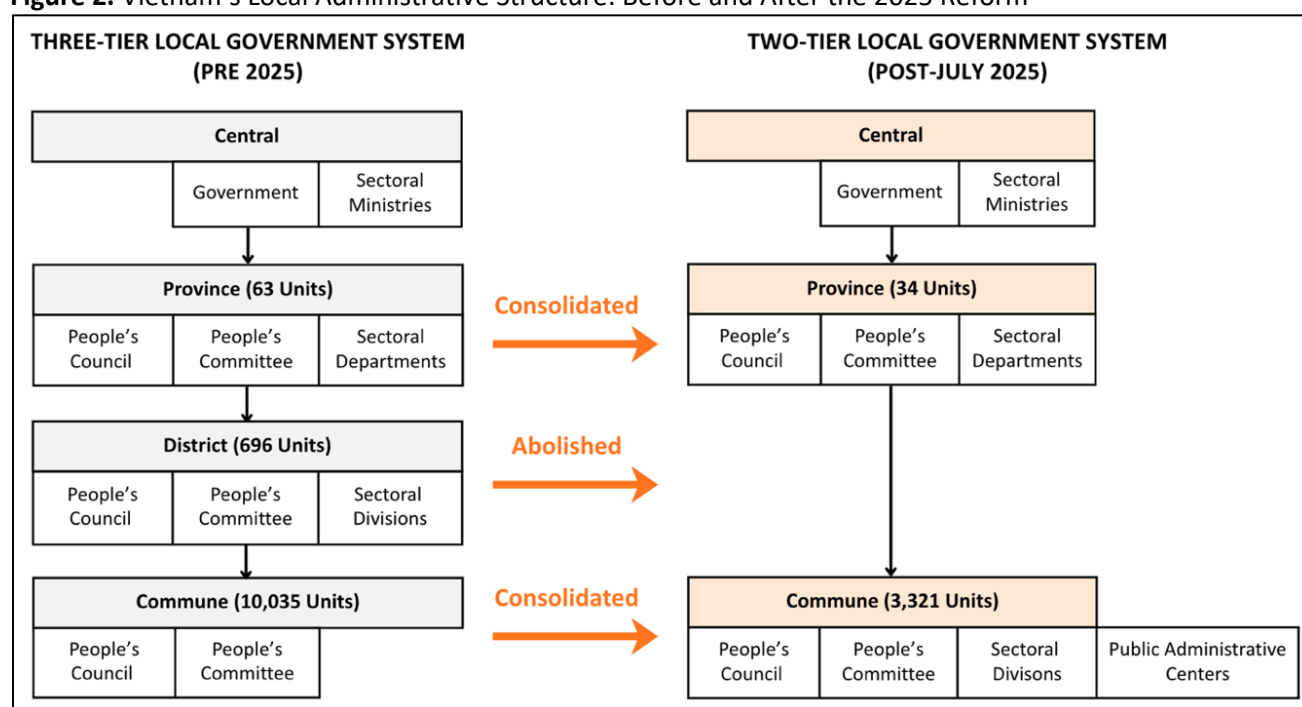
²⁷ Tri Duc, “[Core Values, Legal Basis, Practical Considerations, and the Necessity].”

on 5 May 2025, with an overwhelming 94.56% of delegates voting in support. This paved the way for a historic constitutional amendment, which removed all mandatory requirements for a district-level administration.²⁸

The transition culminated in the enactment of the Revised Law on the Organisation of Local Government (hereafter Law No. 72).²⁹ Effective 1 July 2025, this law formally redefined Vietnam's subnational structure by organising local government according to a two-tier model consisting solely of provincial and communal levels. Crucially, Law No. 72 provides a more precise and rigorous definition of the duties and powers for each remaining tier.³⁰ To support this, 28 decrees on the decentralisation and delegation of power were issued across various sectors (see Annex 2).³¹ By moving away from vague or generalised legal language, the new framework strictly delineates responsibilities to eliminate functional overlaps and prevent jurisdictional ambiguity, ensuring a streamlined flow of authority from the centre to the grassroots.

A Massive Structural Consolidation

Figure 2. Vietnam's Local Administrative Structure: Before and After the 2025 Reform³²



The scale of the transformation was unprecedented, impacting every echelon of the state apparatus to expand developmental space and enhance regional connectivity (see Figure 2). At the provincial tier, provinces were consolidated from 63 to 34 provinces and centrally run cities. These expanded administrative units are

²⁸ Chinhphu.vn, "Quốc Hội Thảo Luận Sửa Đổi, Bổ Sung Hiến Pháp, Luật Tổ Chức Chính Quyền Địa Phương [National Assembly Discusses Amendments and Additions to the Constitution and the Law on Organization of Local Government]," Báo điện tử Chính phủ - Xây dựng Chính sách, Pháp luật [Government Online Newspaper - Policy and Lawmaking], May 14, 2025, <https://xaydungchinh sach.chinhphu.vn/800-truc-tiep-quoc-hoi-thao-luan-sua-doi-bo-sung-hien-phap-luat-to-chuc-chinh-quyen-dia-phuong-119250514064245504.htm>.

²⁹ National Assembly of Vietnam, "Luật Tổ Chức Chính Quyền Địa Phương [Law on the Organisation of Local Government] (Law No. 72/2025/QH15)," June 16, 2025, <https://xaydungchinh sach.chinhphu.vn/toan-van-luat-so-72-2025-gh15-to-chuc-chinh-quyen-dia-phuong-119250618161434371.htm>.

³⁰ Chinhphu.vn, "[National Assembly Discusses Amendments]."

³¹ Nguyen Hanh Vu, "Vietnam's Government Introduces Official Plan for Provincial Mergers," Vietnam Briefing, June 12, 2025, <https://www.vietnam-briefing.com/news/vietnams-government-introduces-official-plan-for-provincial-mergers.html/>.

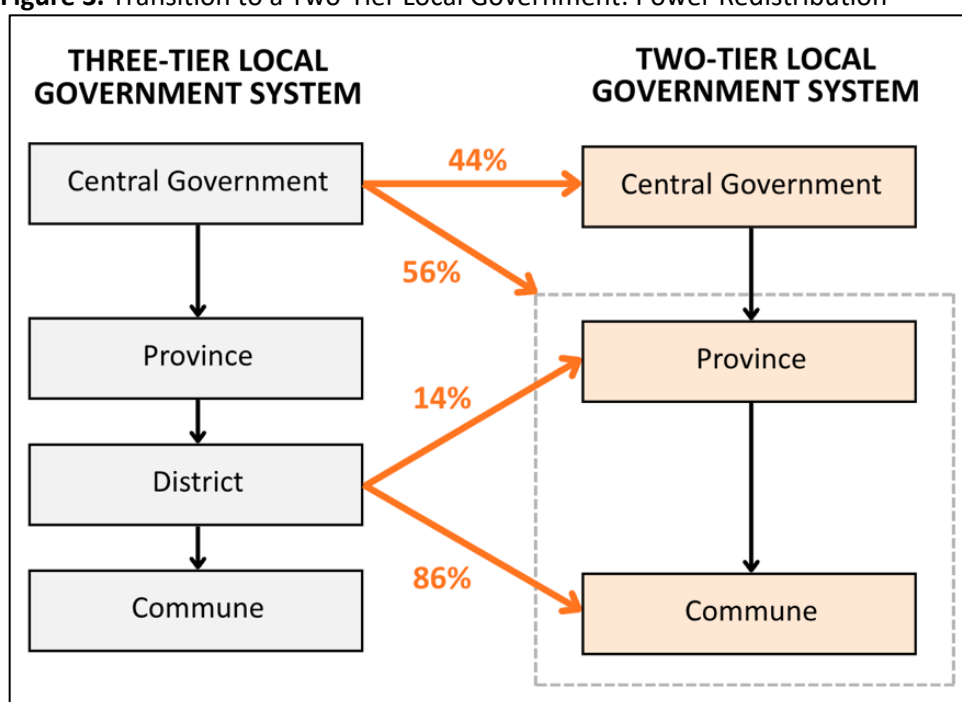
³² Author's own illustration based on Kim Anh and Duc Hung Nguyen, "Sơ đồ Tổ Chức Chính Quyền 2 Cấp Mới Của Bộ Máy Nhà Nước [The New Two-Tiered Organisational Chart of the State Apparatus]," LuậtVietnam, April 16, 2025, <https://luatvietnam.vn/hanh-chinh/so-do-to-chuc-chinh-quyen-2-cap-570-101770-article.html>.

strategically designed to serve as viable economic hubs, leveraging enhanced regional connectivity and seaport access to catalyse growth (see Annex 3). The district tier, formerly encompassing 696 units, was entirely abolished, effectively excising a legacy bureaucratic tier and flattening the governance hierarchy. Meanwhile, the commune tier was restructured from 10,035 to 3,321 units (a 67% reduction), creating a more robust and resource-capable grassroots authorities.³³

To support the new governance model, district-level specialised offices were eliminated, while provincial departments were rationalised by 709 units (a 60% decrease). The state also created 467 new provincial agencies and 9,916 communal specialised divisions. Further, Public Administrative Centres were established across communes, serving as a “one-stop” portal for state services and providing citizens and enterprises with direct, localised access to governance.³⁴

A Redefinition of Local Authority Roles

Figure 3. Transition to a Two-Tier Local Government: Power Redistribution³⁵



The shift to a two-tier system has fundamentally altered the flow of governance and the redistribution of power (see Figure 3). Guided by the directive “*Địa phương quyết, địa phương làm, địa phương chịu trách nhiệm* [Localities decide, localities execute and localities bear responsibility],”³⁶ local governments have gained significantly higher autonomy in socioeconomic management and development. The proportion of administrative procedures handled locally has surged to 56% with a comprehensive redefinition of local authority roles,³⁷ formally codified in Law No. 72 (see Annex 4).

³³ Thu Giang, “Cách Mạng Tinh Gọn Bộ Máy, Vận Hành Chính Quyền Địa Phương Hai Cấp: Dấu Ấn Cải Cách Lịch Sử [The Revolution to Streamline the Administrative Apparatus and Operate a Two-Tiered Local Government System: A Landmark of Historical Reform],” Báo điện tử Chính phủ [Government Online Newspaper], January 2, 2026, <https://baohinhphu.vn/cach-mang-tinh-gon-bo-may-van-hanh-chinh-quyen-dia-phuong-hai-cap-dau-an-cai-cach-lich-su-102251230125915563.htm>.

³⁴ Thu Giang, “[The Revolution to Streamline the Administrative Apparatus].”

³⁵ Author’s own illustration based on sources cited in footnotes 36 and 41.

³⁶ Hong Kieu, “Chính Quyền Địa Phương 2 Cấp: Phân Quyền Mạnh Mẽ và Cải Cách Hành Chính Hiệu Quả [Two-Tiered Local Government: Strong Decentralization and Effective Administrative Reform],” VietnamPlus, November 21, 2025, <https://www.vietnamplus.vn/chinh-quyen-dia-phuong-2-cap-phan-quyen-manh-me-va-cai-cach-hanh-chinh-hieu-qua-post1078225.vnp>.

³⁷ Hong Kieu, “[Two-Tiered Local Government].”

The Provincial Tier: From Administrator to Strategic Architect

Under the new model, the province is no longer just an administrator; it has been elevated to a powerful hub for regional planning and national transformation – a strategic architect. The province now focuses on high-level strategy, regional planning and complex technical issues that exceed communal capacity. Under Article 15 of Law No. 72, Provincial People's Councils can pilot specific, unprecedented policies tailored to local socioeconomic needs. Provincial leaders can now delegate specific powers directly to the Commune People's Committee, provided they are accompanied by the necessary resources and oversight mechanisms. This shifted the dynamic from a rigid “ask-give” bureaucracy to a flexible, performance-based “conditional autonomy” (*cho phép có điều kiện*).³⁸

Reflecting a surge in decentralisation, provinces have absorbed high-level duties previously held by ministries, such as issuing Investment Registration Certificates and Enterprise Registration Certificates,³⁹ as well as managing specialised agricultural licences for fertilisers, feed and food safety.⁴⁰ Over 100 responsibilities (approximately 14%) of districts were elevated to the provincial level.⁴¹ Provinces now serve as the primary “laboratories” (*phòng thí nghiệm*) and “factories” (*công xưởng*) for Vietnam's digital transformation. They are responsible for generating “*đúng, đủ, sạch, sống* [clean, live and sufficient]” national data that ensures national digital strategies work effectively and integrate seamlessly with local operations.⁴²

The Commune Tier: From Extended Arm to Service Centre

The most radical shift occurred at the grassroots level. The commune has transitioned from a passive “extended arm” (*cánh tay nối dài*), tasked merely with maintaining basic order, into a proactive “service centre” (*trung tâm phục vụ*).⁴³ As the executive tier, the commune now handles nearly 600 additional tasks (approximately 86%) previously managed by districts.⁴⁴ This includes functions such as issuing construction permits,⁴⁵ land use right certificates and driver's licences⁴⁶, as well as managing civil registration.⁴⁷

³⁸ Manh Hung Tong, “Những Điểm Mới Cơ Bản Của Luật Tổ Chức Chính Quyền Địa Phương Số 72/2025/Qh15 và Định Hướng Cập Nhật Vào Chuyên Đề “Chính Quyền Địa Phương Ở Việt Nam [Basic New Points of Law on Organization of Local Government No. 72/2025/QH15 and Directions for Updating the Special Topic “Local Government in Vietnam],” Trường Chính Trị Tỉnh Lai Châu [Lai Chau Political School], July 19, 2025, <https://truongchinhtri.laichau.gov.vn/index.php/nghien-cuu-khoa-hoc/nhung-diem-moi-co-ban-cua-luat-to-chuc-chinh-quyen-dia-phuong-so-72-2025-qh15-va-dinh-huong-cap-nhat-vao-chuyen-de-chinh-quyen-dia-phuong-o-viet-nam-2015.html>.

³⁹ Allen & Gledhill, “Significant Restructuring of Vietnam Government Underway,” Allen & Gledhill, July 8, 2025, <https://www.allenandgledhill.com/perspectives/articles/30857/vnkh-significant-restructuring-of-government-underway>.

⁴⁰ Nieuwsbericht, “A New Era for Vietnam: National and Local Restructure for Efficiency | Agroberichten Buitenland,” Ministerie van Landbouw, Visserij, Voedselzekerheid en Natuur [Ministry of Agriculture, Fisheries, Food Security and Nature of The Netherlands], September 10, 2025, <https://www.agroberichtenbuitenland.nl/actueel/nieuws/2025/09/10/a-new-era-for-vietnam-national-and-local-restructure-for-efficiency>.

⁴¹ Tu Giang and Lan Anh, “Vietnam Begins New Chapter with Sweeping Administrative Reform,” VietNamNet Global, July 18, 2025, <https://vietnamnet.vn/en/vietnam-begins-new-chapter-with-sweeping-administrative-reform-2418657.html>.

⁴² Thai Khang, “Chuyển Đổi Số Tại Địa Phương Khi Sang Mô Hình 2 Cấp: Cơ Hội Trong Thách Thức [Digital Transformation at the Local Level When Shifting to a Two-Tier Model: Opportunities amidst Challenges],” VietNamNet, December 29, 2025, <https://vietnamnet.vn/chuyen-doi-so-tai-dia-phuong-khi-sang-mo-hinh-2-cap-co-hoi-trong-thach-thuc-2476996.html>.

⁴³ Tong, “[Basic New Points of Law No. 72/2025/QH15].”

⁴⁴ Tu Giang and Lan Anh, “Vietnam Begins New Chapter.”

⁴⁵ The Vinh, “UBND Cấp Xã Có Quyền Cấp Giấy Phép Xây Dựng [the People's Committee at the Commune Level Has the Authority to Issue Construction Permits],” VietNamNet, June 12, 2025, <https://vietnamnet.vn/ubnd-cap-xa-co-quyen-cap-giay-phap-xay-dung-2410977.html>.

⁴⁶ Baothanhhoa.vn, “Những Thay Đổi Nổi Bật, Đáng Chú Ý Từ Ngày Hôm Nay (1/7) [Notable Changes Starting Today (1 July)],” Báo và Phát thanh, Truyền hình Thanh Hóa [Thanh Hoa Online], July 1, 2025, <https://baothanhhoa.vn/nhung-thay-doi-noi-bat-dang-chu-y-tu-ngay-hom-nay-1-7-253714.htm>.

⁴⁷ Lam Duy, “16 Thủ Tục Cấp và Quản Lý Căn Cước Tại Công an Xã [16 Procedures for Issuing and Managing Identity Cards at the Commune Police Station],” Báo Lao Động [Labour Newspaper], March 9, 2025, <https://laodong.vn/xa-hoi/16-thu-tuc-cap-va-quan-ly-can-cuoc-tai-cong-an-xa-1474479.lido>.

Under Articles 12 and 14 of Law No. 72, provincial chairpersons can delegate specific powers to the commune level.⁴⁸ This involved not only transferring tasks but also granting the authority and resources necessary to resolve local issues proactively. To sustain this expanded mandate, Commune People's Councils have been professionalised with two specialised committees, Economic-Budget and Cultural-Social, to ensure specialised oversight at the grassroots level.⁴⁹ Meanwhile, through the establishment of unified Commune Public Administrative Centres, the commune has become the primary point of contact for citizens and enterprises. By utilising integrated digital portals, these centres reduce procedural friction – helping to transform the administrative culture from one of passive management to constructive, service-orientated governance.⁵⁰

Human Resource Realignment and Infrastructure Modernisation

The transition to a two-tier model necessitated a radical overhaul of the civil service to ensure that the leaner apparatus remained capable of handling a significantly expanded mandate. Nearly 4,000 civil servants and specialised officers were redeployed or seconded from provincial and former district levels to reinforce communal authorities. This infusion of expertise was essential for communes to absorb the complex regulatory tasks formerly held by districts. To mitigate the burden on remaining staff, the government implemented nationwide upskilling programmes, organising thousands of intensive classes. These programmes focused on legal proficiency, technical management, digital processing and data governance.⁵¹

Concurrent with human resource shifts, the state significantly modernised physical and digital infrastructure to support the new model. Administrative headquarters were consolidated and upgraded to house expanded teams and integrated public service centres. A robust digital backbone was established, utilising digital signatures and electronic identification to bridge the gap between provincial and communal levels. Local e-service portals were merged into a single National Public Service Portal, creating a single window for all citizens and businesses nationwide.⁵² This facilitated borderless administrative procedures, where citizens can submit dossiers from any location via the internet or communal service centres, rather than being restricted by their residential address.⁵³ Localities like Hanoi have pioneered the use of AI-powered robots and chatbots to handle public service tasks, significantly reducing the workload on communal staff.⁵⁴

The reform also prioritised the synchronisation of national databases, including population, land and business registration, to ensure that data is updated in real-time from the grassroots to the central level. As a result, from July to December 2025, localities processed over 90% of applications online; 1,100 out of 1,650 hospitals implemented electronic medical records; over 33 trillion VND (approximately US\$1.27 billion) in social security payments were made through bank accounts; and over 177 billion VND (approximately US\$6.8 million) in disaster relief were disbursed quickly through VNeID.⁵⁵

Rationale for the Reform

The decision to streamline the administrative hierarchy was driven by the need to align the state with the requirements of a high-income, modern economy. It aimed to widen the country's "developmental space", improve administrative efficiency, accelerate digital transformation and mitigate corruption.

⁴⁸ Tong, "[Basic New Points of Law No. 72/2025/QH15]."

⁴⁹ Kim Anh and Duc Hung Nguyen, "[The New Two-Tiered Organizational Chart of the State Apparatus]."

⁵⁰ Chinhphu.vn, "Tọa Đàm: Chuyển Đổi Số - Cầu Nối 'Sống Còn' Giữa 2 Cấp Chính Quyền Địa Phương [Seminar: Digital Transformation - a 'Vital' Bridge between Two Levels of Local Government]," Báo điện tử Chính phủ - Xây dựng Chính sách, Pháp luật [Government Online Newspaper - Policy and Lawmaking], July 24, 2025, <https://xaydungchinh sach.chinhphu.vn/toa-dam-chuyen-doi-so-cau-noi-song-con-giua-2-cap-chinh-quyen-dia-phuong-119250724080202009.htm>.

⁵¹ Thu Giang, "[The Revolution to Streamline the Administrative Apparatus]."

⁵² Thu Giang, "[The Revolution to Streamline the Administrative Apparatus]."

⁵³ Hong Kieu, "[Two-Tiered Local Government]."

⁵⁴ Chinhphu.vn, "[Seminar: Digital Transformation]."

⁵⁵ Thu Giang, "[The Revolution to Streamline the Administrative Apparatus]."

Widening Vietnam's "Developmental Space"

The reform is the structural engine designed to propel Vietnam towards its goal of becoming a high-income developed nation by 2045. By removing the district level, the state eliminated redundant nodes that historically distorted market signals, effectively simplifying procedures and reducing the time tax on businesses. This consolidation further expanded the country's "developmental space" (*không gian phát triển mới*) by merging communal units into larger administrative hubs with broader land resources and labour pools, creating the scale necessary to enhance national competitiveness and attract high-quality foreign direct investment.⁵⁶

Improving Administrative Efficiency

Vietnam's transition to a two-tier structure is heavily influenced by the governance models of Japan, South Korea and France, which emphasise high administrative efficiency through a logic of subsidiarity.⁵⁷ By delegating tasks to the lowest possible level, these nations ensure that the commune remains the most substantive and responsive tier of government. Vietnam's reform seeks to mirror this success by granting localities greater fiscal and legislative autonomy, thereby strengthening grassroots democracy and fostering an environment where local authorities have the independent power to resolve community issues directly.⁵⁸

Accelerating Digital Transformation

In the era of national revitalisation, General Secretary To Lam has set the goal of maximising technology as the vital bridge that directly connects administrative units and serves the people with peak efficiency.⁵⁹ The transition to a leaner government is inextricably linked to the national digital transformation strategy (see Annex 5), where the adoption of digital tools acts as the primary lever to eliminate redundant intermediary layers. This is evident in the integration of the National Public Service Portal and the deployment of AI-powered robots and chatbots to handle public service tasks.

Mitigating Corruption

The reform shifts Vietnam's anti-corruption strategy from the reactive campaign towards a proactive model by fundamentally reducing the bureaucratic nodes. By eliminating the district tier and automating services, the state minimised the face-to-face interactions that historically facilitated petty corruption and rent-seeking. New mandates follow the principle of "one job, one focal point, one responsible person" – establishing direct accountability and preventing officials from hiding behind collective responsibility or legal loopholes.⁶⁰

Stakeholder Analysis: The Leaner Government vs. Heavier Burden

The implementation of the two-tier local government system has produced a complex landscape of results. While the overall objective of a leaner government has been achieved through structural consolidation, the heavier burden of execution has shifted towards the remaining tiers and the stakeholders they serve.

⁵⁶ Nguyen and Le, "Vietnam Redraws Its Administrative Map"; Nieuwsbericht, "A New Era for Vietnam"; Thu Giang, "[The Revolution to Streamline the Administrative Apparatus]."

⁵⁷ Chinhphu.vn, "Mô Hình Chính Quyền 2 Cấp: Nhìn Từ Thế Giới [Two-Tiered Government Model: A Perspective from around the World]," Báo điện tử Chính phủ [Government Online Newspaper], July 1, 2025, <https://baochinhphu.vn/mo-hinh-chinh-quyen-2-cap-nhin-tu-the-gioi-102250701153129686.htm>.

⁵⁸ Huu An, "Kinh Nghiệm Tổ Chức Chính Quyền Địa Phương Hai Cấp Tại Một Số Quốc Gia Trên Thế Giới và Gợi Mở Cho Chính Quyền Địa Phương Việt Nam [Experiences in Organizing Two-Tiered Local Government in Some Countries around the World and Suggestions for Vietnamese Local Government]," *Tạp Chí Quản Lý Nhà Nước [Journal of State Management]*, October 23, 2025, <https://www.quanlynhanuoc.vn/2025/10/23/kinh-nghiem-to-chuc-chinh-quyen-dia-phuong-hai-cap-tai-mot-so-quoc-gia-tren-the-gioi-va-goi-mo-cho-chinh-quyen-dia-phuong-viet-nam/>.

⁵⁹ Chinhphu.vn, "[Seminar: Digital Transformation]."

⁶⁰ Trung Vu, "Viet Nam Effectively Implements Two-Tier Local Administrative Model," Nhan Dan Online, August 5, 2025, <https://en.nhandan.vn/viet-nam-effectively-implements-two-tier-local-administrative-model-post151339.html>.

The Authority: Central Strategy vs. Local Capacity

The transition to a two-tier model has fundamentally redefined the roles of different levels of the state: while central ministries pivot towards macro-level strategic thinking, provincial and communal levels must absorb a massive surge in executive responsibilities.

The reform offers long-term benefits for governance efficiency. The removal of the district tier shortened lines of command, accelerated decision-making and clarified accountability. The consolidation has also created larger, more integrated provinces with stronger fiscal bases and development potential, while enabling workforce restructuring and the recruitment of younger, digitally capable officials.

However, for local officials, this shift represents an intense decentralisation shock. As communes inherited 86% of duties previously managed by districts, frontline officials faced an unprecedented workload surge. Staff are often assigned complex regulatory duties despite lacking the necessary technical expertise. While 4,000 officers were redeployed to reinforce the grassroots, reports from provinces like Tay Ninh revealed that personnel are working extreme hours, even on weekends, to manage the dossier surge.⁶¹

Beyond the workload, the transition faces a significant risk-aversion paradox and morale crisis. While a flatter hierarchy eliminates the grey zones for corruption, the combination of a high-intensity anti-corruption campaign and reduced promotion opportunities has made many officials highly hesitant to exercise their new autonomy. Fearful of making career-ending mistakes, local leaders may fall into administrative paralysis, refusing to act without direct, written orders. Furthermore, the massive workforce reduction, affecting up to 250,000 positions, and stagnant remuneration, could contribute to administrative paralysis and talent attrition to the private sector.⁶²

Finally, structural and technical frictions pose a risk of systemic failure. At the provincial level, departments must now manage a vastly expanded span of control, overseeing hundreds of communes directly without district intermediaries. This requires an immediate shift toward high-level professionalisation and strategic oversight. Simultaneously, digital infrastructure varied significantly across regions. While urban centres thrive, remote areas struggle with unstable internet and outdated equipment, leading to data inconsistencies and system errors.⁶³

The Business Community: Efficiency vs. New Compliance Realities

The business community views the transition to a two-tier model as a vital institutional lever for growth, though it also introduces new procedural and compliance challenges. By flattening the administrative hierarchy, the reform acts as an institutional lever, significantly reducing the time costs associated with bureaucratic delays. The establishment of “one-stop” Commune Public Administrative Centres, integrated with the National Public Service Portal, allows businesses to submit dossiers and track progress in real-time, reducing the need for face-to-face interactions with officials.

Furthermore, the consolidation of provinces and communes into larger economic hubs with higher populations, such as the Ho Chi Minh City-Binh Duong-Ba Ria Vung Tau “super city”, offers enhanced regional connectivity and broader labour pools. This scale is essential for attracting high-quality foreign direct investment and fostering regional planning that is less fragmented.⁶⁴

⁶¹ Tung Nguyen, “Vận Hành Chính Quyền Địa Phương 2 Cấp: Bộ Máy Tinh Gọn Mà Hiệu Quả [Operating a Two-Tiered Local Government System: A Streamlined and Efficient Apparatus],” Báo Dân Trí [Dan Tri News], November 7, 2025, <https://dantri.com.vn/loi-vu/van-hanh-chinh-quyen-dia-phuong-2-cap-bo-may-tinh-gon-ma-hieu-qua-20251105173501216.htm>.

⁶² Nguyen and Le, “Vietnam Redraws Its Administrative Map”; Tu Giang and Lan Anh, “Investment or Stagnation.”

⁶³ PwC, “Snapshot On Vietnam’s Administrative Reform 2025.”

⁶⁴ Allen & Gledhill, “Significant Restructuring of Vietnam Government Underway.”

However, businesses must also navigate significant short-term administrative and legal disruptions. Thousands of legal documents require revision, forcing enterprises to update tax codes, business licences and land-use certificates to align with new administrative boundaries.⁶⁵ There is also a risk of temporary bottlenecks at the grassroots level. As approximately 600 responsibilities shift to the commune, under-resourced local officials could become new single points of failure.

Furthermore, historically, different provinces offered competing preferential terms to attract investment. The need to harmonise local regulations across newly merged provinces may result in the loss or adjustment of these favourable terms, creating a period of regulatory uncertainty for investors to adapt to new procedures, contact points and jurisdictional responsibilities.⁶⁶

Ultimately, while the business community maintains high confidence in the reform's long-term fiscal synergies, such as the reallocation of administrative savings toward infrastructure, the current phase requires businesses to proactively adapt their compliance strategies to a rapidly evolving local framework.⁶⁷

The People: Service Modernisation vs. Accessibility Concerns

The ultimate goal of the reform is to better serve the people of Vietnam. Public consensus for this transition is remarkably high. During the one-month public consultation on the draft constitutional amendment, over 20 million citizens submitted their opinions via the VNeID application, with an average approval rate of 99.75%.⁶⁸ However, the transition presents a dual landscape of unprecedented convenience and emerging structural hurdles.

Citizens now enjoy more direct access to state services through the commune-level administrative centres. Most administrative procedures have been digitised, allowing citizens to apply for documents from home via the National Public Service Portal. AI-powered virtual assistants provide 24/7 guidance through thousands of administrative services, significantly reducing wait times and manual errors. This modernisation is intended to reduce wait times and manual errors, as well as opportunities for corruption.

The most significant challenge for the public is the additional travel costs created by the merger of administrative units. In remote and mountainous areas, the expansion of commune boundaries has increased the distance citizens must travel to reach People's Committee offices for tasks that require physical presence. For residents in newly merged provinces, travelling to administrative-political centres may disrupt daily routines and economic activities.⁶⁹

Furthermore, the reform's reliance on digital platforms has surfaced a critical equity issue, as the digital divide risks creating a new form of socio-administrative inequality. While urban centres thrive under the new model, remote and mountainous regions continue to struggle with unstable internet, outdated equipment and a lack of digital literacy.⁷⁰ Although 95% of Vietnamese users access the internet via smartphones, many complex administrative procedures require a desktop or laptop to complete. In rural areas where personal computer ownership is low, citizens are unable to perform end-to-end online procedures from home, forcing them to

⁶⁵ Global Angle, "Vietnam's Bold Administrative Reform: What It Means for Foreign Investors," Global Angle, May 8, 2025, <https://global-angle.com/vietnam-administrative-reform-what-it-means-for-foreign-investors/>.

⁶⁶ Global Angle, "Vietnam's Bold Administrative Reform."

⁶⁷ Thanh Thanh, "Public Services Enjoy New-Look System," Vietnam Investment Review - VIR, July 9, 2025, <https://vir.com.vn/public-services-enjoy-new-look-system-132198.html>.

⁶⁸ Vietnam Law & Legal Forum, "Revising the Constitution in Line with Political System Streamlining Goals: Official," Vietnam Law Magazine, June 16, 2025, <https://vietnamlawmagazine.vn/revising-the-constitution-in-line-with-political-system-streamlining-goals-official-74435.html>.

⁶⁹ PwC, "Snapshot On Vietnam's Administrative Reform 2025."

⁷⁰ PwC, "Snapshot On Vietnam's Administrative Reform 2025."

visit commune-level “one-stop shops” in person.⁷¹ This lack of digital readiness, particularly among the elderly and disadvantaged populations, has led to the persistence of “document brokers” (*cò làm giấy tờ*)⁷² who exploit those unable to navigate the system. This reliance on intermediaries directly challenges the reform’s goal of a transparent, people-centric government.

Conclusion: An Unresolved Challenge

Vietnam’s transition to a two-tier local government system represents one of the most ambitious administrative reforms in its modern history. The country has decisively dismantled a legacy three-tier structure long identified as a primary bottleneck to national development. Structural change has been swift and far-reaching. Yet, as Prime Minister Phạm Minh Chính has noted, early implementation has delivered positive progress while exposing a central dilemma: the architecture of reform is largely complete, but the operational capacity required to fulfil its promise remains fragile.⁷³

Nowhere is this tension more visible than at the commune level. As the new frontline executive authority, communes have inherited 86% of grassroots administrative responsibilities, often without commensurate increases in personnel, specialised skills or decision-support systems. This imbalance has contributed to a risk-aversion paradox, in which officials may prioritise procedural caution over proactive decision-making. The long-term implications for governance quality and economic performance remain uncertain. Businesses, meanwhile, face transitional friction arising from regulatory realignment and legal uncertainty, while citizens experience uneven access to increasingly digitalised public services. Although most administrative dossiers are now processed online, a persistent digital divide risks leaving rural and disadvantaged populations behind, potentially institutionalising new forms of socio-administrative inequality.

As Vietnam navigates this historic transition, several unresolved questions remain central for discussion:

1. Can capacity catch up with mandate? Can the commune level absorb its expanded executive role without compromising service quality and oversight, and how can digital and AI tools be systematically deployed to augment human capacity at scale?
2. Is autonomy real or merely formal? What institutional and technological safeguards are needed to give local officials the confidence to exercise delegated authority responsibly in a high-stakes accountability environment?
3. Will efficiency exacerbate inequality? Can a digital governance model deliver inclusive public services in contexts where digital access and literacy remain uneven, and what complementary measures are required to prevent exclusion?

The Vietnamese experiment offers a rare insight into the challenges of modern state-building in the digital era: ensuring that a leaner state does not become a heavier burden for those closest to its execution. Solving this equation is a high-stakes endeavour where a single oversight could risk administrative collapse and the erosion of public trust. Whether Vietnam can translate structural streamlining into sustained improvements in governance will depend not only on legal and organisational reform but also on its ability to strategically harness digital transformation to strengthen state capacity, rebuild trust and deliver public value at scale.

⁷¹ Institute for Policy Studies and Media Development (IPS) and United Nations Development Programme (UNDP), “Đánh Giá Cổng Dịch vụ Công Cấp Tỉnh và Cấp Quốc Gia Từ Góc độ Người Dùng Năm 2025 [Evaluating Provincial and National-Level Public Service Portals from a User Perspective in 2025],” *UNDP* (Hanoi, August 2025), <https://www.undp.org/vi/vietnam/publications/danh-gia-cong-dich-vu-cong-cap-tinh-va-cap-quoc-gia-tu-goc-do-nguoi-dung-nam-2025>.

⁷² Chinhphu.vn, “Thủ Tướng Chỉ Đạo Tháo Gỡ Khó Khăn, Vướng Mắc Trong Vận Hành Chính Quyền Địa Phương 2 Cấp [the Prime Minister Directs the Removal of Difficulties and Obstacles in the Operation of the Two-Tiered Local Government System],” *Báo điện tử Chính phủ - Xây dựng Chính sách, Pháp luật* [Government Online Newspaper - Policy and Lawmaking], July 17, 2025, <https://xaydungchinh sach.chinhphu.vn/thu-tuong-chi-dao-thao-go-kho-khan-vuong-mac-trong-van-hanh-chinh-quyen-dia-phuong-2-cap-119250717233242675.htm>.

⁷³ VietnamPlus, “Two-Tier Local Administration Model Shows Progress after Three Months: PM,” *VietnamPlus*, October 1, 2025, <https://en.vietnamplus.vn/two-tier-local-administration-model-shows-progress-after-three-months-pm-post328594.vnp>.

Discussion Questions

1. Vietnam abolished an entire administrative tier rather than incrementally consolidating functions within the existing three-tier system. Why did Vietnam pursue radical structural reform instead of incremental adjustment? Under what conditions does structural abolition outperform functional consolidation, and when might it produce greater governance risk?
2. The reform transferred approximately 86% of former district functions to the commune level. Which functions are most vulnerable to failure when transferred downward, and why? Which capacity constraints are binding in the short term, and which can be alleviated over time?
3. What explains the emergence of the risk-aversion paradox among local officials? What does this paradox reveal about accountability structures, incentive design and error tolerance in the reformed system?
4. Can digital and AI tools substitute for an intermediary administrative layer? Why or why not? What governance functions can be digitised, and which remain inherently relational or discretionary?
5. Structural streamlining promises faster decision-making and reduced costs. Compare these efficiency gains against potential losses in accountability, oversight and error correction. Does the two-tier model ultimately strengthen or weaken Vietnam's long-term state capacity? Explain.
6. Vietnam's reform is still unfolding. Based on the case evidence, what would governance failure look like in practice? Which early warning signs are already visible in the case study?

Annex 1. Timeline of Key Reform Decisions on Administrative Restructuring (2017–2025)⁷⁴

Date	Document	Issuing Body	Significance
25 Oct 2017	Resolution No. 18-NQ/TW (12th Central Committee, 6th Plenum)	Central Committee of the CPV	Set the long-term roadmap (2021–2030) to fundamentally complete the consolidation of district- and commune-level administrative units, laying the institutional foundation for later structural reform.
Jan 2021	Political Report of the 13th National Party Congress	Communist Party of Vietnam (CPV)	Established the strategic direction to continue restructuring district- and commune-level administrative units and to study provincial-level reorganisation in line with the national master plan on administrative divisions.
24 Jan 2022	Resolution No. 06-NQ/TW	Politburo	Linked administrative restructuring to urbanisation and spatial planning objectives, calling for the consolidation, merger, and establishment of urban administrative units consistent with development needs through 2045.
09 Nov 2022	Resolution No. 27-NQ/TW (13th Central Committee, 6th Plenum)	Central Committee of the CPV	Reaffirmed the continued reorganisation of district- and commune-level units and authorised pilot studies for provincial-level restructuring within the framework of building a socialist rule-of-law state.
14 Feb 2025	Conclusion No. 126-KL/TW	Politburo and Secretariat	Issued the first explicit directive to study the removal of the intermediate district level, restructure communes under a new governance model, and propose amendments to relevant laws and Party regulations.
28 Feb 2025	Conclusion No. 127-KL/TW	Politburo and Secretariat	Assigned the Government Party Committee to lead the formulation of detailed proposals on provincial mergers, abolition of district-level administration, and continued consolidation of communes.
14 Mar 2025	Conclusion No. 130-KL/TW	Politburo and Secretariat	Determined the post-reform number of provincial-level administrative units, fixing the total at 34 (28 provinces and 6 centrally governed cities).
28 Mar 2025	Conclusion No. 137-KL/TW	Politburo and Secretariat	Approved the overall plan to reorganise administrative units at all levels and establish a two-tier local government model; mandated the termination of district-level administration from 1 July 2025, subject to constitutional and legal amendments.
12 Apr 2025	Resolution No. 60-NQ/TW (13th Central Committee, 11th Plenum)	Central Committee of the CPV	Formally endorsed the two-tier local government model (province–commune), confirmed the abolition of the district level from 1 July 2025, approved the reduction of communes by 60–70%, and reaffirmed the target of 34 provincial units nationwide.

⁷⁴ Table compiled by the author based on Tri Duc, “[Core Values, Legal Basis, Practical Considerations, and the Necessity].”

Annex 2. List of 28 Decrees on Decentralisation and Delegation of Authority between the Central Government and Local Governments⁷⁵

No.	Decree	Description
1	Decree No. 120/2025/ND-CP	Specifying authority of local administrations in the field of justice.
2	Decree No. 121/2025/ND-CP	On decentralisation and delegation of authority in the field of justice.
3	Decree No. 122/2025/ND-CP	On decentralisation and delegation of authority in the field of tax management.
4	Decree No. 124/2025/ND-CP	On decentralisation and delegation of authority in the field of ethnic, belief, and religion affairs.
5	Decree No. 125/2025/ND-CP	Specifying authority of local administrations in the field of finance.
6	Decree No. 126/2025/ND-CP	On decentralisation and delegation of authority in the field of national reserve.
7	Decree No. 127/2025/ND-CP	On decentralisation in the field of public asset management and use.
8	Decree No. 128/2025/ND-CP	On decentralisation and delegation of authority in the field of home affairs.
9	Decree No. 129/2025/ND-CP	Specifying authority of local administrations in the field of home affairs.
10	Decree No. 130/2025/ND-CP	On decentralisation and delegation of authority in the field of statistics.
11	Decree No. 131/2025/ND-CP	On decentralisation and delegation of authority in the field of agriculture and environment.
12	Decree No. 132/2025/ND-CP	Specifying authority of local administrations in the field of agriculture and environment.
13	Decree No. 133/2025/ND-CP	On decentralisation and delegation of authority in the field of science and technology.
14	Decree No. 134/2025/ND-CP	On decentralisation and delegation of authority in the field of diplomacy.
15	Decree No. 136/2025/ND-CP	On decentralisation and delegation of authority in the field of agriculture and rural development.
16	Decree No. 137/2025/ND-CP	Specifying authority of local administrations in the field of culture, sports, and tourism.
17	Decree No. 138/2025/ND-CP	On decentralisation and delegation of authority in the field of culture, sports, and tourism.
18	Decree No. 139/2025/ND-CP	Specifying authority of local administrations in the field of industry and trade.
19	Decree No. 140/2025/ND-CP	Specifying authority of local administrations in the field of construction.
20	Decree No. 141/2025/ND-CP	Specifying authority of local administrations in the field of inspection.

⁷⁵ Vu, "Vietnam's Government Introduces Official Plan for Provincial Mergers."

No.	Decree	Description
21	Decree No. 142/2025/ND-CP	Specifying authority of local administrations in the field of education and training.
22	Decree No. 143/2025/ND-CP	On decentralisation and delegation of authority in the field of education and training.
23	Decree No. 144/2025/ND-CP	On decentralisation and delegation of authority in the field of construction.
24	Decree No. 145/2025/ND-CP	Specifying authority of local administrations in the field of urban and rural planning.
25	Decree No. 146/2025/ND-CP	On decentralisation and delegation of authority in the field of industry and trade.
26	Decree No. 147/2025/ND-CP	Specifying authority of local administrations in the field of health.
27	Decree No. 148/2025/ND-CP	On decentralisation and delegation of authority in the field of health.
28	Decree No. 151/2025/ND-CP	Specifying authority of local administrations in the field of land.

Legend:

- Unchanged cities and provinces
- Merged cities and provinces
- Administrative centers

Administrative Changes in 2023:

- THAI NGUYEN PROVINCE**: BAC KAN + THAI NGUYEN (Center: Thai Nguyen City)
- TUYEN QUANG PROVINCE**: TUYEN QUANG + HA GIANG (Center: Tuyen Quang City)
- CAO BANG PROVINCE**
- LAO CAI PROVINCE**: LAO CAI + YEN BAI (Center: Yen Bai City)
- LANG SON PROVINCE**
- PHU THO PROVINCE**: VINH PHUC + PHU THO + HOA BINH (Center: Viet Tri City)
- BAC NINH PROVINCE**: BAC NINH + BAC GIANG (Center: Bac Giang City)
- QUANG NINH PROVINCE**
- HAI PHONG CITY**: HAI DUONG + HAI PHONG CITY (Center: Thuy Nguyen City)
- HANOI CITY**
- HUNG YEN PROVINCE**: HUNG YEN + THAI BINH (Center: Hung Yen City)
- NINH BINH PROVINCE**: HA NAM + NINH BINH + NAM DINH (Center: Hoa Lu City)
- HUE CITY**
- DA NANG CITY**: QUANG NAM + DA NANG (Center: Da Nang City)
- GIA LAI PROVINCE**: GIA LAI + BINH DINH (Center: Quy Nhon City)
- KHANH HOA PROVINCE**: NINH THUAN + KHANH HOA (Center: Nha Trang City)
- LAM DONG PROVINCE**: LAM DONG + DAK NONG + BINH THUAN (Center: Da Lat City)
- HO CHI MINH CITY**: BA RIA - VUNG TAU + BINH DUONG + HO CHI MINH CITY (Center: Ho Chi Minh City)
- VINH LONG PROVINCE**: BEN TRE + VINH LONG + TRA VINH (Center: Vinh Long City)
- CA MAU PROVINCE**: BAC LIEU + CA MAU (Center: Ca Mau City)
- CAN THO CITY**: CAN THO CITY + SOC TRANG + HAU GIANG (Center: Can Tho City)
- AN GIANG PROVINCE**: AN GIANG + KIEN GIANG (Center: Rach Gia City)
- TAY NINH PROVINCE**: TAY NINH + LONG AN (Center: Tan An City)
- DONG THAP PROVINCE**: TIEN GIANG + DONG THAP (Center: My Tho City)
- QUANG TRI PROVINCE**: QUANG BINH + QUANG TRI (Center: Dong Hoi City)
- QUANG NGAI PROVINCE**: KON TUM + QUANG NGAI (Center: Quang Ngai City)
- DAK LAK PROVINCE**: DAK LAK + PHU YEN (Center: Buon Ma Thuot City)
- DONG NAI PROVINCE**: DONG NAI + BINH PHUOC (Center: Bien Hoa City)
- THANH HOA PROVINCE**
- NGHE AN PROVINCE**
- SON LA PROVINCE**
- DIEN BIEN PROVINCE**
- LAI CHAU PROVINCE**
- Hoang Sa**
- Truong Sa**

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Annex 4: Administrative Responsibilities by Tier: Before vs After the 2025 Reform⁷⁷

Function Area	Pre-2025	Post-2025
Socioeconomic planning	<i>Province:</i> Provincial master plans; budget allocation <i>District:</i> Coordinate implementation <i>Commune:</i> Participate in consultation	<i>Province:</i> Regional and provincial planning; inter-commune coordination <i>Commune:</i> Local development planning and implementation
Public investment management	<i>Province:</i> Approval of large projects <i>District:</i> Appraisal; supervision of medium projects <i>Commune:</i> Local facilitation	<i>Province:</i> Approval & supervision of most projects <i>Commune:</i> Execution; local supervision
Construction licensing	<i>Province:</i> Oversight; special cases <i>District:</i> Issuance of most permits <i>Commune:</i> No authority	<i>Province:</i> Oversight; complex/strategic permits <i>Commune:</i> Issuance of standard permits
Land administration	<i>Province:</i> Policy guidance <i>District:</i> Issuance; dispute handling <i>Commune:</i> Data collection	<i>Province:</i> Strategic cases; dispute resolution <i>Commune:</i> Issuance of certificates; updates
Business registration	<i>Province:</i> Limited role <i>District:</i> Processing and approval <i>Commune:</i> No authority	<i>Province:</i> Issuance of enterprise and investment certificates <i>Commune:</i> Frontline intake; guidance
Civil registration	<i>Province:</i> Policy oversight <i>District:</i> Approval in some cases <i>Commune:</i> Birth, death, marriage registration	<i>Province:</i> Oversight <i>Commune:</i> Full responsibility
Social assistance and welfare	<i>Province:</i> Policy and funding <i>District:</i> Coordination <i>Commune:</i> Delivery	<i>Province:</i> Oversight and funding <i>Commune:</i> End-to-end delivery
Education administration	<i>Province:</i> Upper secondary; staffing <i>District:</i> Primary & lower secondary <i>Commune:</i> Preschool support	<i>District:</i> Strategic oversight <i>Commune:</i> Local school administration
Health administration	<i>Province:</i> Provincial hospitals <i>District:</i> District hospitals <i>Commune:</i> Primary care stations	<i>Province:</i> Provincial and regional hospitals <i>Commune:</i> Primary healthcare management
Environmental management	<i>Province:</i> Strategic regulation <i>District:</i> Inspection and enforcement <i>Commune:</i> Local monitoring	<i>Province:</i> Regulation; large-scale enforcement <i>Commune:</i> Routine inspection and enforcement

⁷⁷ Table compiled by author based on 28 decrees on decentralisation and delegation of authority.

Annex 5: Vietnam's National Digital Transformation Programme - Key Targets to 2025 and 2030⁷⁸

Indicator	Target by 2025	Target by 2030
1. Developing digital government — improving effectiveness		
Online public services available at level 4, accessible across multiple platforms including mobile	80%	100%
Administrative procedure dossiers handled online		
- Ministerial and provincial level	90%	100%
- District level	80%	90%
- Commune level	60%	70%
Periodic and statistical reports connected and shared on Government Reporting System	100%	100%
Key national databases (population, land, business registration, finance, insurance) completed and connected nationwide	100%	100%
State management inspection activities conducted through digital environment	50%	70%
Reduction in administrative procedures through open data and IoT-connected databases	(target set for 2030 only)	30% reduction
E-Government Development Index (EGDI)	Top 70	Top 50
2. Developing digital economy — improving competitiveness		
Digital economy contribution to GDP	20%	30%
Share of digital economy in each economic sector	≥ 10%	≥ 20%
Annual labour productivity growth rate	≥ 7%	≥ 8%
ICT Development Index (IDI)	Top 50	Top 30
Global Competitiveness Index (GCI)	Top 50	Top 30
Global Innovation Index (GII)	Top 35	Top 30
E-commerce revenue as share of total retail sales	> 10%	(not specified)
3. Developing digital society — narrowing the digital gap		
Fibre optic broadband network coverage to households	80%	100%
4G/5G mobile network and smartphone coverage for all citizens	Universal	5G universal
Adult population owning smartphones	80%	(not specified)
Adults with bank accounts or accounts at authorised payment organisations	80%	(not specified)
Adult population owning digital signatures or electronic signatures	> 50%	> 70%
People of labour age receiving training in basic digital skills	> 70%	(not specified)
Internet users protected by cybersecurity measures	> 70%	(not specified)
Global Cybersecurity Index (GCI)	Top 40	Top 30

⁷⁸ Table compiled by the author based on Prime Minister of Vietnam, Quyết Định Phê Duyệt "Chương Trình Chuyển Đổi Số Quốc Gia Đến Năm 2025, Định Hướng Đến Năm 2030" [Decision Approving the "National Digital Transformation Programme to 2025, with Orientation to 2030"] (Decision No. 749/QĐ-TTg), June 3, 2020, <https://datafiles.chinhphu.vn/cpp/files/vbpg/2020/06/749.signed.pdf>