THE STATE APPARATUS RESTRUCTURING IN VIETNAM

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I. Introduction
The state apparatus is the largest and important part of the political system in Vietnam, which functions on the principle of “Party’s leadership, state’s management and people’s ownership”.

While the Party exercises its leadership through selection, appointment, and management of personnel affairs as well as promulgation of resolutions and strategic documents on important issues of the country’s socio-economic development, national defence, foreign affairs, public security…, the state is responsible for carrying out the implementation of the Party’s resolutions and decisions and held accountable before the Party on the results.

The state apparatus in Vietnam follows a Soviet party-state style with heavy structure, numerous staffing, costly operation and low efficiency and effectiveness. The state sub-system includes the National Assembly, State President, central Government, People’s Supreme Court and People’s Supreme Procuracy and local authorities.

Restructuring the state apparatus is key in the political system reform process in Vietnam as outlined by the Communist Party of Vietnam (CPV) Central Committee’s resolution No. 18-NQ/TW dated 25 October 2017. There are strong actions in reviewing the organizational structure, reducing staff, merging agencies, administrative units, and positions with impressive results recently. However, this is a painful and uneasy process that used to fail in the past. Challenges are enormous, the inertia and resistance are strong. Therefore, it requires strong political will from the highest level, clear agenda for actions and orchestrated efforts from all related agencies and people in the political system.

II. Literature review
Hoa Quang Le argued that despite its developing country status, Vietnam has been regarded as a relatively strong state. However, there has been a depth of engagement of international actors with Vietnam’s developmental mindset at the national, provincial and local levels. All these international actors, in different ways, contribute to creating views around the role of the state in economic management, the direction of reform of political-economic institutions and directions for social development. He concluded that Vietnam is still more of a developmental state than a liberal or neoliberal one, but the influence of international actors has spread the influence of market-led developmental ideas. If these ideas become hegemonic, the political and policy space for the country would be significantly reduced.

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2 Perceptions of the Developmental State Mindset in Vietnam: The Influence of International Actors, University of Wollongong Thesis Collection, 2017
Huan Van Dang\textsuperscript{3} identified four policy factors (stressor, leadership predisposition, change in policy image and consensus on the political priority) that need to occur at different stages of the policy process in Vietnam to make radical change happen. He indicated that there have been strong stressors and the leaders of the Vietnamese Communist Party and government have felt great pressure to reform. The Party has shown the predisposition to reform in various guiding resolutions in the four policy sectors. Yet, in the cases of higher education policy on institutional autonomy and state-owned enterprise management policy, the lack of significant change in the policy image of the leaders has been the main reason for the absence of innovative policy change. In contrast, in the cases of international trade liberalization and legal reform in setting the level playing field for enterprises of all economic sectors, all the policy factors have occurred to produce radical policy changes in these two areas.

Jianyue XUE and Gang CHEN\textsuperscript{4} indicated that the Communist Party of China has embarked on a massive restructuring of the Party and state institutions. The Party has strengthened its grip over the state, taking over six State Council institutions that had previously dealt with the work of civil servants, the media, ethnic affairs, religious affairs, overseas Chinese affairs, and computer network and information security. At the state level, seven ministries were created while six ministries were abolished.

Vo Tri Thanh and Cuong Van Nguyen\textsuperscript{5} pointed out that Vietnam still witnessed scattered evidence of conflicts among laws or the deviation of provisions in sub-laws from the provisions in laws. Some conflicts of provisions regarding the authority of ministries or between different levels of local governments were also reported. The most notable examples are perhaps the conflicts over authority of ministries in charge of environmental protection, food safety, advertising, and consumer protection. Further improvement of regulatory management requires strong political will, involvement of relevant stakeholders, and enactment of separate bodies with a clear mandate and sufficient capacity.

Hy V. Luong\textsuperscript{6} asserted that the changing notion of culture in the official discourse on the nation in Vietnam over the past half-century is rooted at least as much in the dialogic relation between the Vietnamese socialist state and local populations, as in the stronger integration of Vietnam into the global capitalist system. In the Vietnamese case, globalization has heightened the concern in some circles about cultural identities and traditions, but a power-laden dialogue between the socialist state and local populations on those issues had started long before global capitalism became a powerful force in the space under the control of the Vietnamese Marxist state. He suggested that in the Vietnamese case, the dynamics of state/society relations in the restructuring of nationalist discourses should not be ignored.

Tran Dinh Thien\textsuperscript{7} recommended that in the context of increasing globalisation, and the Fourth

\textsuperscript{6} “The Restructuring of Vietnamese Nationalism”, 1954-2006, Pacific Affairs: Volume 80, No. 3 – Fall 2007
\textsuperscript{7} “Restructuring Economy from A Perspective of Development Engines in New Era”, Vietnam Academy of Social Sciences, 2020
Industrial Revolution, the country needs a new approach to development. It must actively seek both new resources and engines of development in new ways, combining them with traditional development engines and modes of development, and move towards sustainable development.

Martin Painter\(^8\) noted slow implementation and apparent incoherence of restructuring policies since 1987 and pointed to “reform failure” and a “weak state”. In addition, he found that apparent gaps in hierarchical control and policy incoherence mask a situation in which variety of party and state actors with conflicting interests find mutual accommodation within a broad framework of party sanctioned policy setting.

Matthew Busch\(^9\) found that: (i) economic restructuring and greater integration with the international economic system has brought Vietnam impressive gains in wealth, trade, and investment; (ii) such efforts have not, however, resolved Vietnam’s ‘missing middle’ or the lack of a productive domestic private sector and the continued dominance of the state-owned sector; (iii) while these challenges represent a risk to Vietnam’s future growth potential, initiatives such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership provide an opportunity for further trade and investment expansion. He concluded that: “Vietnam has a history of leveraging engagement with the international economic system - including joining the World Trade Organization (WTO) and signing major Free Trade Agreements - to support difficult domestic restructuring. These have been more pretext than driving force; many in Vietnam would note that far more laws and regulations were passed than were technically required to meet its WTO commitments”.

### III. Status of state apparatus restructuring process in Vietnam

#### 3.1. Initial results

The results achieved in the state apparatus restructuring in Vietnam so far include:

*First, the National Assembly apparatus strengthened.* The number of the National Assembly’s committees and the National Assembly Standing Committee’s support offices increased. These include: (i) split of the Committee on Economic and Budget Affairs and Committee on Legal Affairs into Committee on Economic Affairs and Committee on Budget Affairs and Committee on Legal Affairs and Committee on Jurisdictional Affairs respectively; (ii) establishment of the Office of Deputies’ Affairs, Office of People’ Wishes and Institute on Legislative Research. Furthermore, larger proportion of professional deputies helps improve the National Assembly’s professionalism and quality.

After two years of implementation of the resolution 18-NQ/TW, four central agencies, 100 provincial agencies, 496 district-level agencies, seven directorates or similar level, 81 bureaus, departments, 73 central public institutions, 2 658 divisions, 1 946 sub-divisions, 4 162 local public institutions. There are 9 893 heads and deputies of administrative agencies at provincial and district levels, 2 998 heads of local public institutions and 3 231 deputies of local public institutions reduced\(^10\). However, the apparatus remains very heavy and costly, of which the

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\(^9\)“The missing middle: a political of economic restructuring in Vietnam”, Lowy Institute analysis, December 2017

\(^10\) Central Committee, Summary report on the Party’s building affairs and the implementation of the Party’s Stature in the tenure XII, 6 January 2020, page 8
running costs account for 68-69% or even 72% of regular state budget expenditures. Second, the government has been restructured toward more compact, efficient and effective apparatus. The number of government ministries and ministerial level agencies reduced from 78 (1981-1987) to 28 (2016-2021) with multi-sectoral management direction. Tasks, functions, authority, and inter-agency relationship further clarified. The government’s macro management, policy and legal framework development strengthened. Overlapped functions and tasks among government agencies reduced. The accountability, delegation of authority and outsourcing of administrative tasks to capable business, social organizations and individuals improved. Third, the jurisdicil branch apparatus reformed. These include: (i) the court and procuracy systems strengthened. The court system includes: Supreme Court, high court, provincial/city court, district, commune level courts, and military courts. The procuracy system includes: Supreme Procuracy, high procuracy, provincial procuracy, district procuracy and military procuracies at various levels; (ii) jurisdiction of the jurisdicil agencies further clarified with more focused scope and better quality of judgement, law application and rights protection…

3.2. Challenges and limitations
Key challenges and limitations include:
First, the state apparatus in Vietnam remains heavy, disconnected and malfunctioned. Key challenges include: (i) number of agencies and staff increased, large cabinet (28 members with five Deputies Prime Minister and 23 ministers), (ii) unclear division of role, function and authority among agencies or even the government and Prime Minister, (iii) physical merge of multi-sectoral agencies creates gaps and confusion in operation, (iv) ambiguity in authority limit and associated accountability created overlap or abuse of power risks,""
Third, large number of public institutions, of which the running costs are mainly borne by state budget. There are about 58,000 public institutions with total 2.2 million staff, accounting for about 57.9% of total public officials. Their salary is also paid by state budget. Most of these institutions can be privatized or self-financed.

Fourth, increasing pressure for reform from within the political system and outside. The state apparatus in Vietnam follows the soviet style that works in a command-and-control economy and war time but has lagged far behind the country’s socio-economic development process. As such, there are needs to reform to adapt with the changes and function more effectively. There are many limitations in current structure that hinder the country’s growth potentials, prevent corruption, and power abuse, discourage talented people to join, stay and contribute. The causes for this status include: (i) limited management capacity of state agencies, particularly the low capability and productivity of the state officials; (ii) historical heritage of the party-state controlling system, in which the state covers too many functions, tasks and public services. As a result, there has been chronological state budget deficit of about 5% GDP annually.

IV. Recommendations

In line with the CPV’s resolution 18-NQ/TW that set priorities for the political system reform, the state apparatus in Vietnam should be restructured as follows:

First, systematic and radical transformation of state apparatus toward the people-orientedness. The principle “state of people, by the people and for people” should be seriously carried out. The people should be centre of all state’s actions. As a result, the state apparatus needs to be restructured in that direction. There needs to change from commanding mindset to service manner of the state agencies and public officials.

Second, National Assembly’s structure and operation reform to exercise its law making, supervision and decision-making functions professionally and effectively. The National Assembly’s focus should shift from imposing state’s authorities to clarifying the state’s accountability, from granting state permission to the protecting people’s rights in relations with state. There need more open debates, monitoring and law-based decisions in the National Assembly. The role of National Assembly’s Ethnic Council and Committees should be further promoted in the law review and adoption process.

It is important to ensure the highest state power entity of National Assembly as stated in the Constitution 2013. There should be mechanisms for combining the CPV’s leadership with the National Assembly. For instance, the CPV nominate its members to run for National Assembly’s election and those who are elected members of National Assembly will hold membership of Central Committee, Polibureau and Secretariat. This will reduce enormous time and expenses in organizing the CPV congress and the National Assembly election as well as enhance effects of the legalization of CPV’s direction, guidance and resolutions.

Third, government restructuring toward more compact structure, efficient and effective operation, service-oriented mindset, and results-based accountability. There should be a smaller number of ministries. Those ministries and agencies that have overlapped or duplicated functions and tasks should be merged (for instance, the ministry of home affairs with CPV’s central commission on organization and personnel affairs, CPV’s central commission on inspection with government inspectorate and the state audit, ministry of foreign affairs with the CPV’s central commission on external affairs…). It is important to have a government set up by Prime
Minister, who selects and recommends ministers and takes accountability for his/her government performance. There should be further delegation of authority to ministers with better accountability mechanisms.

Fourth, restructuring the court system with focus on the jurisdiction, not administrative boundaries. The district-level courts to be held in several districts. Appeal courts are responsible for appeal review and initial judge of several cases. High courts oversee the regional appeal cases. The supreme court oversees summarization of the judging experience, guide on legal application for judgement, constituting the precedences and handling the final judgement or review of serious cases…

Fifth, pilot the merging or combination of the Party and state agencies and positions that have similar functions and tasks at provincial and district levels. At the top level, it would be good to merge the CPV’s Secretary General and the State President. This helps strengthen the Party’s leadership with the State system. In addition, it formalizes the Party’s highest position as the head of state, which will be convenient and consistent with international practices. At local level, scale up the tested model in combining the heads of Party agencies with the related government agencies (Party’s commission on education and communication with department of cultural affairs, the chairman of Party’s commission on inspection with the chief inspector, chairman of mass mobilization with the chairman of Fatherland Front…).

Sixth, reforming the local authority to be in line with Constitution. These include: (i) clarity on authority delegation and accountability mechanisms between central and local levels. (ii) piloting the model of provincial, district and commune governors, which are recommended by the respective Party’s committees, elected by the people’s councils at the same level and appointed by Prime Minister or governors at the next higher level. The governors are charged to appoint the subordinate heads of agencies at their levels and held accountable for their performance.

References
1. Communist Party of Vietnam’s Central Committee (2020), Summary report on the Party’s building affairs and the implementation of the Party’s Stature in the tenure XII, page 8