

From Three-Tier to Two-Tier Local Government: Administrative Reform and State Capacity in Vietnam

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ABSTRACT: This article examines Vietnam's transition from a three-tier to a two-tier local government model as a major administrative reform with significant implications for state capacity. Using qualitative documentary analysis, the study analyzes legal documents, official government communications, governance assessment materials, and established scholarly literature on state capacity, decentralization, and local governance. The article argues that the reform should not be interpreted merely as organizational simplification. Rather, it represents a broader attempt to reconfigure territorial governance, compress administrative hierarchy, redistribute authority, and strengthen the public administration system's capacity to deliver services closer to citizens. The analysis identifies four core dimensions of the reform: institutional restructuring, decentralization and delegation of authority, commune-level administrative capacity, and accountability in public service delivery. The findings suggest that the two-tier model may reduce administrative intermediation and create clearer lines of responsibility, but its effectiveness depends on the practical capacity of provincial and commune-level governments to absorb redistributed functions, manage workloads, operate digital systems, and respond to citizen needs. Since the reform is still in an early phase of implementation, the article does not make causal claims about long-term outcomes. Instead, it offers a cautious and evidence-based interpretation of the reform's institutional logic, opportunities, and risks. The article contributes to comparative public administration by showing that state capacity is not automatically strengthened by reducing administrative layers; it must be built through aligned authority, resources, skills, digital infrastructure, and accountability mechanisms.

KEYWORDS: Vietnam; local government; administrative reform; two-tier local administration; state capacity; decentralization; public service delivery

1. INTRODUCTION

Administrative reform has been a central component of Vietnam's state modernization agenda. Since the launch of *doi moi*, reform has involved changes in economic management, public administration, decentralization, legal modernization, public service delivery, and digital government. The 2025 reform of local government is especially significant because it alters the territorial architecture through which the state is organized and through which public authority is exercised at the local level. Rather than focusing only on administrative procedure simplification, the reform redefines the levels of local administration themselves.

On June 16, 2025, the National Assembly of Viet Nam passed Law No. 72/2025/QH15 on the Organization of Local Administration. The official legal record identifies the law as issued on June 16, 2025. The English translation and related official communications state that Vietnam's administrative units are organized into two levels: the provincial level and the commune level. Provincial-level units include provinces and centrally run cities; commune-level units include communes, wards, and special zones. Under the law's transitional arrangements, district-level local bodies, including district-level People's Councils, People's Committees, chairpersons of People's Committees, and specialized agencies under district-level People's Committees, ceased operation from July 1, 2025 (National Assembly of Viet Nam, 2025; Government Portal of Viet Nam, 2025a).

The reform marks a shift from the previous three-tier local administrative structure of province, district, and commune to a two-tier model composed of provincial and commune-level administrations. Official reporting described the change as a historic milestone in Vietnam's local governance, noting that local governance would be organized into provincial and communal levels and that district-level administrations had been dissolved (Government Portal of Viet Nam, 2025a). In parallel, Vietnam undertook a major reorganization of administrative units. *Nhan Dan* reported that from July 1, 2025, the country would operate with 34 provinces and centrally run cities and 3,321 commune-level administrative units (*Nhan Dan*, 2025a).

This reform raises an important analytical question: how does the transition from a three-tier to a two-tier local government model affect state capacity in Vietnam? The question is important because reducing administrative layers does not automatically produce stronger governance. A leaner administrative structure may reduce bureaucratic delay, clarify some lines of responsibility,

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and shorten the chain between decision-making and implementation. At the same time, it may increase pressure on the remaining levels of government, especially commune-level authorities, which become the direct interface between the state and citizens.

The article approaches the reform through the concept of state capacity. State capacity refers to the ability of public institutions to design, implement, monitor, and enforce policies across territory and society. In local governance, this capacity is not only a matter of formal authority. It also depends on personnel, administrative skills, fiscal resources, digital infrastructure, data systems, accountability mechanisms, and citizen trust. A two-tier structure may create opportunities for faster and more direct administration, but these opportunities can be realized only if authority is aligned with capacity.

The purpose of this article is therefore not to evaluate the reform's final outcomes. The reform remains recent, and long-term empirical evidence on service delivery, citizen satisfaction, fiscal performance, and administrative workload is still emerging. Instead, this article provides a qualitative, evidence-based assessment of the reform's institutional logic and likely implications. It asks three research questions: First, what administrative rationale underpins Vietnam's transition to a two-tier local government model? Second, how does the reform redistribute authority and responsibility between provincial and commune-level administrations? Third, what conditions and risks are likely to shape the reform's contribution to state capacity?

The article proceeds as follows. The next section reviews literature on state capacity, decentralization, and local administrative reform. The methodology section explains the use of qualitative documentary analysis. The following section presents the institutional context of the 2025 reform. The findings and discussion analyze institutional compression, decentralization and delegation, commune-level capacity, provincial coordination, digital governance, and accountability. The final sections develop policy implications and conclude with directions for future research.

2. LITERATURE REVIEW AND ANALYTICAL FRAMEWORK

State capacity is one of the central concepts in political science and public administration. It refers to the ability of the state to formulate rules, implement policy, provide public goods, regulate social and economic activity, and maintain administrative presence across territory. Evans (1995) emphasizes the importance of bureaucratic coherence and embedded autonomy: effective states require capable public organizations that are sufficiently coherent internally and sufficiently connected to society to understand development needs. Fukuyama (2013) defines governance in terms of the government's ability to make and enforce rules and deliver services, regardless of the political regime. This definition is useful for analyzing Vietnam because it focuses on the operational capability of institutions rather than on regime classification.

The state-capacity literature also stresses that formal institutional design is not enough. Andrews, Pritchett, and Woolcock (2017) argue that building state capability requires more than adopting formal structures; it requires institutions that can actually solve problems and perform functions. Grindle (1996) similarly suggests that governance reforms should be evaluated through the practical capacity of organizations to carry out assigned responsibilities. This perspective is important for the two-tier local government reform because the abolition of the district level changes formal structure but does not, by itself, guarantee improved administrative performance.

Local government is a critical site of state capacity because it is the level at which citizens most frequently encounter public authority. Citizens experience the state through administrative procedures, land records, social protection, local public services, citizen reception, complaint resolution, schools, clinics, environmental management, and local infrastructure. Lipsky's (1980) concept of street-level bureaucracy is relevant because it shows that frontline public servants translate formal policy into everyday practice. In Vietnam's two-tier model, commune-level officials become even more important as frontline actors because many citizen-facing procedures are expected to be handled at the commune or ward level.

Decentralization literature provides a second analytical lens. Decentralization is often expected to improve responsiveness because local governments are closer to citizens and may better understand local conditions. Faguet (2014) argues that decentralization can improve governance when it creates incentives for local authorities to respond to local preferences. However, decentralization can also produce uneven local capacity, local capture, fragmented accountability, and implementation gaps. Treisman (2007) cautions that the architecture of government has complex effects; the number of administrative levels, the allocation of authority, and the distribution of resources all matter.

Bardhan and Mookherjee (2006) similarly show that decentralization in developing countries is shaped by political incentives and local institutional conditions. Authority transferred to local governments may improve responsiveness, but only when local accountability mechanisms and administrative capacity are strong enough to prevent capture and ensure performance. This insight is relevant to Vietnam because the two-tier model is not a simple decentralization reform. It combines territorial consolidation, institutional compression, delegation of tasks, and a stronger role for provinces and communes.

The concept of institutional compression is useful for interpreting the reform. Institutional compression refers here to the reduction of intermediary administrative layers in order to shorten the chain of command and simplify coordination. Removing the district level may reduce duplication and accelerate administrative decision-making. Yet the functions previously performed by district bodies do not disappear. They must be reassigned upward to provincial authorities, downward to commune-level authorities,

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or horizontally to specialized agencies and digital systems. The effectiveness of compression therefore depends on whether the receiving institutions have adequate capacity.

A further lens comes from the literature on legibility and administrative simplification. Scott (1998) argues that states often attempt to make society more legible through standardized categories, territorial arrangements, and administrative schemes. Territorial consolidation and administrative restructuring may improve legibility for central and provincial authorities, but they can also produce unintended consequences if local complexity is insufficiently recognized. For Vietnam, the two-tier model may make the administrative system more streamlined, but it must still accommodate wide variation among urban wards, rural communes, mountainous areas, border areas, islands, and special zones.

This article develops an analytical framework based on four dimensions of state capacity. Institutional capacity refers to the clarity of legal authority and functional assignment. Administrative capacity refers to personnel, workload, competence, procedures, and coordination. Digital capacity refers to the ability to use data systems, interoperable platforms, and online public services to manage tasks at scale. Accountability capacity refers to mechanisms through which citizens, representative institutions, higher authorities, and public service data can monitor performance and correct administrative failures. These four dimensions guide the documentary analysis below.

Table 1: Analytical Framework for Assessing State Capacity in the Two-Tier Model

Capacity dimension	Main question	Relevance to the two-tier model
Institutional capacity	Are authority and functions clearly assigned?	Prevents gaps or overlap after district-level bodies cease operation
Administrative capacity	Do local governments have staff, skills, procedures, and resources?	Determines whether provinces and communes can absorb redistributed functions
Digital capacity	Can data and online systems support coordination and service delivery?	Replaces part of the coordination function formerly handled through hierarchy
Accountability capacity	Can citizens and higher authorities monitor performance and correct failures?	Ensures that structural reform improves governance experience, not only organizational charts

3. METHODOLOGY

This study uses qualitative documentary analysis. Documentary analysis is appropriate when the research object is an institutional reform expressed through legal texts, official communications, policy documents, and public governance reports. Bowen (2009) defines document analysis as a systematic procedure for reviewing and evaluating documents in qualitative research. The method is suitable for this article because Vietnam's two-tier local government reform is recent and its long-term empirical outcomes are not yet sufficiently available for causal evaluation.

The document corpus consists of four categories. The first category includes legal documents, especially Law No. 72/2025/QH15 on the Organization of Local Administration. The second category includes official government communications from the Government Portal of Viet Nam on the two-tier local administration model, administrative reorganization, and decentralization and delegation of authority. The third category includes governance assessment materials, especially the 2024 Provincial Governance and Public Administration Performance Index (PAPI) report published by UNDP and partners. The fourth category includes academic literature on state capacity, decentralization, administrative reform, and qualitative methods.

The analysis followed a thematic coding strategy. Following Braun and Clarke's (2006) approach to thematic analysis, documents were read several times to identify recurring themes. Initial codes included administrative restructuring, abolition of the district level, decentralization, delegation, provincial coordination, commune-level workload, public service delivery, digital governance, citizen feedback, and accountability. These initial codes were then grouped into broader analytical themes corresponding to the four dimensions of state capacity: institutional, administrative, digital, and accountability capacity.

The study applies three principles to improve trustworthiness. First, it uses source triangulation by comparing legal documents, government communications, governance assessment materials, and scholarly literature. Second, it distinguishes verified facts from interpretation. Verified facts include the adoption of Law No. 72/2025/QH15, the shift to provincial and commune-level units, the cessation of district-level bodies from July 1, 2025, the reorganization into 34 provincial-level units and 3,321 commune-level units, and the government's announcement of decrees on decentralization and delegation. Interpretation concerns how these facts may affect state capacity. Third, the article avoids causal claims about outcomes that cannot yet be demonstrated with longitudinal evidence.

The method has limitations. Documentary analysis can clarify institutional logic and identify implementation risks, but it cannot directly measure administrative performance, citizen satisfaction, or workload changes. The article therefore should be read

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as an institutional and interpretive analysis rather than an impact evaluation. Future research should supplement this study with interviews, fieldwork, administrative data, citizen surveys, and comparative case studies across provinces and commune-level units.

Table 2: Document Corpus and Analytical Use

Document group	Examples of sources	Analytical use
Legal foundation	Law No. 72/2025/QH15 on Organization of Local Administration	Identifies formal structure, legal authority, and transitional provisions
Government communications	Government Portal reports on the two-tier model, 34 provincial units, and 28 decrees	Clarifies reform rationale, decentralization measures, and implementation timeline
Governance assessment	2024 PAPI report and related public reporting	Provides citizen-experience context for public service delivery and accountability
Academic literature	Works on state capacity, decentralization, local governance, and documentary analysis	Provides concepts and analytical framework

4. INSTITUTIONAL CONTEXT OF THE REFORM

Before the 2025 reform, Vietnam's local administrative structure operated through three levels: province, district, and commune. The district level functioned as an intermediary between provincial and commune-level governments. It performed coordination, supervision, and implementation roles in fields such as land administration, public service delivery, local planning, budget coordination, social policy, and administrative procedures. The district level also served as a channel through which provincial directives were transmitted to communes and through which local information was transmitted upward.

Law No. 72/2025/QH15 changed this architecture. It establishes a two-level administrative structure: provincial-level administrative units and commune-level administrative units. The law specifies that provincial-level units consist of provinces and centrally run cities, while commune-level units consist of communes, wards, and special zones. The translated legal text also indicates that district-level local bodies ceased operation from July 1, 2025 (National Assembly of Viet Nam, 2025). Official reporting described the reform as a historic milestone in local governance and stated that district-level administrations had been dissolved (Government Portal of Viet Nam, 2025a).

The reform occurred together with territorial consolidation. The Government Portal reported the names and administrative centers of 34 provinces and centrally run cities following the reorganization of provincial-level units (Government Portal of Viet Nam, 2025c). Nhan Dan reported that from July 1, 2025, Vietnam would implement the two-tier model nationwide with 34 provincial-level units and 3,321 commune-level administrative units (Nhan Dan, 2025a). This means that the reform was not limited to removing the district level. It also involved a major redesign of territorial administration and local jurisdictional boundaries.

The reform was accompanied by decentralization and delegation measures. The Government announced 28 decrees on decentralization and delegation of authority, with effect from July 1, 2025, when the two-tier local administrations officially came into operation (Government Portal of Viet Nam, 2025b). A related Government Portal report stated that 2,718 out of 6,738 tasks were delegated to local administrations, including 1,470 tasks to provincial-level administrations and 1,248 tasks to commune-level administrations (Government Portal of Viet Nam, 2025a). These figures suggest that the reform involves functional redistribution, not merely a change in the number of administrative levels.

The institutional context therefore contains three linked changes. First, the vertical structure of local government is compressed from three levels to two. Second, territorial units are consolidated at provincial and commune levels. Third, administrative tasks are redistributed through decentralization and delegation. These changes together make the reform a major state-capacity project. Its success depends on whether the remaining levels of government can exercise authority effectively, coordinate across territory, and deliver services to citizens without the former district-level intermediary.

The citizen-experience dimension is also important. The 2024 PAPI report surveyed 18,894 citizens and measured eight dimensions of governance and public administration: participation at local levels, transparency in local decision-making, vertical accountability toward citizens, control of corruption in the public sector, public administrative procedures, public service delivery, environmental governance, and e-government (UNDP, 2025). These dimensions are directly relevant to evaluating the two-tier model because they focus on how citizens experience local governance. If the reform is to strengthen state capacity, it should eventually be reflected not only in organizational charts but also in citizen experiences of access, responsiveness, transparency, and service quality.

5. FINDINGS AND DISCUSSION

5.1. Institutional Compression and Administrative Streamlining

The first major finding is that the transition to a two-tier model represents institutional compression. By removing the district level, the reform shortens the vertical administrative chain between provincial and commune-level authorities. In principle, this can reduce bureaucratic delay, decrease overlapping responsibilities, and make lines of authority more direct. In a three-tier system, many decisions or administrative procedures may pass from commune to district and then to province, or from province to district and then to commune. In a two-tier system, the relationship between province and commune becomes more direct.

This compression may improve administrative efficiency in several ways. It can reduce the number of offices involved in certain procedures. It can reduce the time required for document circulation. It can simplify reporting lines. It can also make it easier for higher authorities to monitor commune-level performance if data systems are sufficiently integrated. These potential advantages explain why official communication has associated the reform with streamlining, autonomy, and more effective local governance.

However, institutional compression should not be equated with automatic capacity improvement. The district level previously performed real functions. It coordinated between provinces and communes, handled specialized administrative tasks, supervised local implementation, and managed many citizen-facing procedures. When the district level is abolished, those functions must be transferred elsewhere. If they are transferred upward, provincial-level agencies may face greater coordination burdens. If they are transferred downward, commune-level governments may face heavier workloads. If they are transferred to digital systems, those systems must be reliable, interoperable, and accessible.

Therefore, the reform creates a paradox of streamlining. The state becomes structurally leaner, but the operational demands on remaining institutions become more complex. A two-tier system can reduce intermediation, but it also requires stronger capacity at both the provincial and commune levels. Without that capacity, the reform may shift bottlenecks rather than remove them.

5.2. Decentralization and Delegation of Authority

The second finding is that the reform is closely associated with decentralization and delegation of authority. The Government's announcement of 28 decrees on decentralization and delegation demonstrates that the reform is not simply territorial. The decrees cover a broad range of sectors, including justice, taxation, finance, home affairs, statistics, agriculture and environment, science and technology, culture, sports and tourism, construction, education and training, health, and land (Government Portal of Viet Nam, 2025b). This sectoral breadth indicates that the two-tier model requires a comprehensive reallocation of authority across policy domains.

Decentralization can strengthen state capacity when it places decisions closer to the problems they address. Commune-level governments may be better positioned to understand citizens' daily administrative needs, while provincial governments may be better positioned to coordinate development across a broader territory. Yet decentralization can weaken capacity if authority is transferred without resources, technical guidance, or accountability. The central issue is alignment. Formal responsibility must be aligned with decision-making power, budgetary resources, personnel, data access, and performance accountability.

The figures reported by the Government Portal, namely 2,718 delegated tasks out of 6,738, with 1,470 delegated to provincial-level administrations and 1,248 to commune-level administrations, suggest that the reform redistributes substantial administrative responsibilities (Government Portal of Viet Nam, 2025a). These figures are important because they demonstrate that commune-level governments are not merely local contact points; they are expected to exercise more direct administrative authority. At the same time, provincial governments remain crucial because they receive more delegated tasks and must coordinate the enlarged provincial units created by territorial consolidation.

The risk is that delegation may produce ambiguity if functional boundaries are not clearly specified. Citizens may not know whether a problem belongs to the commune, the province, or a specialized agency. Local officials may face uncertainty over whether they have authority to decide or merely receive and forward documents. Such ambiguity can undermine accountability. Therefore, a functional map of responsibilities is essential. Each procedure should identify the level responsible for receiving documents, making decisions, providing technical review, issuing results, and handling complaints.

5.3. Commune-Level Government as the Frontline of State Capacity

The third finding is that commune-level government becomes the frontline of state capacity under the two-tier model. With the district level removed, commune-level authorities, including communes, wards, and special zones, become the most immediate administrative interface between the state and citizens. Citizens will increasingly expect commune-level offices to provide answers, solve problems, process procedures, and communicate policies effectively.

This shift has major implications. Commune-level governments must handle a broader range of functions in areas such as citizen reception, civil status, land-related information, local social policy, public service coordination, complaint handling, administrative procedure guidance, and digital public service support. In urban wards, the scale of demand may be high because population density, land transactions, business activity, migration, and service expectations are intense. In rural and mountainous communes, the challenges may differ: distance, infrastructure, limited staff, and uneven digital access can constrain administrative performance.

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The PAPI framework is useful for understanding this challenge. PAPI measures citizen experiences in local participation, transparency, vertical accountability, control of corruption, public administrative procedures, public service delivery, environmental governance, and e-government (UNDP, 2025). These dimensions correspond closely to the tasks that commune-level governments must now support. A reform that brings government closer to citizens will be judged by whether citizens experience procedures as simpler, faster, fairer, and more transparent.

The capacity challenge at the commune level is not only quantitative but qualitative. More staff may be necessary, but capacity also depends on training, legal literacy, digital skills, problem-solving ability, ethical standards, and communication with citizens. Commune-level officials must understand new legal mandates and sectoral procedures. They must use digital systems correctly. They must manage citizens' expectations and complaints. They must coordinate with provincial departments. These tasks require professionalization of frontline administration.

If commune-level capacity is insufficient, the two-tier model may create overload. Citizens may face longer queues at commune offices. Officials may struggle to process more complex dossiers. Procedures may be delayed because local staff need technical confirmation from provincial agencies. These risks do not mean that the reform is flawed in principle. They mean that structural reform must be accompanied by investments in people, processes, technology, and supervision.

5.4. Provincial Government and Strategic Coordination

The fourth finding is that the provincial level becomes more strategic and more demanding under the new model. With district-level administrations dissolved, provinces must coordinate directly with commune-level units. This increases the importance of provincial planning, monitoring, specialized expertise, and resource allocation. The province becomes the key level for translating national policy into regional development strategy and for supporting commune-level implementation.

The reduction from 63 to 34 provincial-level units increases the scale of provincial governance. Larger provinces may have stronger fiscal and administrative resources, but they also contain more diverse territories, populations, and economic conditions. They may include urban centers, rural districts formerly under separate administrative systems, ethnic minority areas, industrial zones, coastal zones, or border areas. The province must therefore manage diversity while maintaining administrative consistency.

In the three-tier model, district authorities helped provincial governments supervise communes and coordinate implementation. Under the two-tier model, provinces must develop alternative coordination mechanisms. These may include stronger specialized departments, regional service centers, digital monitoring systems, mobile administrative support teams, and standardized procedures. The province must not become a distant bureaucracy that simply receives reports from communes. It must actively support commune-level governments through technical guidance, training, supervision, and problem solving.

Provincial coordination is especially important for tasks that exceed the capacity or jurisdiction of a single commune. These include inter-commune infrastructure, land-use planning, environmental management, public investment, emergency response, social service networks, and regional economic development. If provincial coordination is weak, the abolition of district-level structures may create gaps in intermediate planning and problem resolution. Thus, the province is not only a higher administrative level; it is the strategic hub of the new system.

5.5. Digital Governance and Administrative Continuity

The fifth finding concerns digital governance. Digital capacity becomes more important when an administrative level is removed. In the absence of district-level intermediation, provinces and communes need reliable data systems to coordinate work, monitor performance, process documents, and provide services. Digital systems can help standardize administrative procedures across localities and reduce the need for physical movement of files between offices.

Digital governance can contribute to state capacity in at least four ways. First, it can improve information flow between provinces and communes. Second, it can increase transparency by allowing citizens to track administrative procedures. Third, it can support performance monitoring through administrative data. Fourth, it can reduce transaction costs for citizens if online services are accessible and user-friendly. For these reasons, e-government is a core dimension of the PAPI framework (UNDP, 2025).

Yet digital governance also creates risks. If systems are fragmented across sectors, local officials may have to enter the same information repeatedly. If platforms are not interoperable, data may not support coordination. If internet access or digital literacy is uneven, some citizens may be excluded from online services. If commune-level officials are not adequately trained, digital systems may become a burden rather than a capacity-enhancing tool. Therefore, digital transformation should be treated as part of administrative reform, not as a separate technical project.

For Vietnam's two-tier model, digital capacity should include interoperable databases, secure data-sharing mechanisms, clear digital workflow rules, user-friendly service portals, and support channels for citizens who cannot access online services independently. Digital systems should also generate management information that provinces can use to identify bottlenecks, allocate support, and monitor service quality. Without these systems, provinces may find it difficult to supervise thousands of commune-level units effectively.

5.6. Accountability and Citizen-Centered Governance

The sixth finding is that accountability is central to the legitimacy of the reform. A two-tier model may bring administration closer to citizens, but proximity alone does not guarantee responsiveness. Accountability requires clear responsibility, transparent procedures, complaint mechanisms, performance indicators, and citizen feedback. If citizens do not know which level is responsible for a service or decision, the reform may create confusion rather than clarity.

The PAPI report is relevant because it measures governance from the citizen's perspective. Its eight dimensions provide a broad framework for assessing whether reforms improve local governance. In 2024, PAPI surveyed 18,894 citizens nationwide and assessed dimensions including transparency, vertical accountability, public administrative procedures, public service delivery, and e-government (UNDP, 2025). Voice of Vietnam's reporting on the 2024 PAPI results noted that public service quality still needed further improvement and that public administrative procedures did not show clear progress compared with other dimensions (Voice of Vietnam, 2025). This context matters because the two-tier model will ultimately be evaluated by citizens through concrete administrative experiences.

Accountability in the two-tier model should be both vertical and social. Vertical accountability refers to oversight by higher-level institutions, such as provincial authorities, central ministries, inspection agencies, and representative bodies. Social accountability refers to citizen feedback, public information, complaint channels, and participation in local decision-making. A strong two-tier system must integrate both. Provinces should monitor communes, but citizens should also have accessible ways to report problems and evaluate service quality.

Accountability also requires data. Administrative processing time, complaint resolution, citizen satisfaction, error rates, and workload indicators should be collected and analyzed. Such data can help distinguish between temporary implementation difficulties and systemic capacity problems. Without data, reform evaluation may rely too heavily on formal reports and insufficiently on citizen experience.

Table 3: Opportunities and Risks of the Two-Tier Local Government Model

Reform element	Potential contribution to state capacity	Main implementation risk
Abolition of the district level	Shorter administrative chains and reduced intermediation	Loss of intermediate coordination if functions are not reassigned clearly
Delegation to local administrations	More local autonomy and faster decision-making	Overload or ambiguity if authority, resources, and accountability are misaligned
Expanded commune-level role	Closer citizen-state interaction and more direct service delivery	Insufficient staff, training, facilities, or digital skills at the grassroots level
Larger provincial units	Greater strategic coordination and potentially stronger resource pools	Complex internal diversity and difficulty supervising many commune-level units
Digital public services	Improved data flow, transparency, and monitoring	Fragmented systems, digital exclusion, or increased workload for officials

6. POLICY IMPLICATIONS

The analysis suggests several policy implications. First, Vietnam should maintain a detailed and publicly accessible functional map of responsibilities under the two-tier model. Each administrative procedure should identify the receiving authority, the decision-making authority, the technical review authority, the expected processing time, and the complaint-handling mechanism. Such mapping would reduce ambiguity for both citizens and officials.

Second, commune-level capacity should be treated as the central condition of reform success. Training should focus on administrative law, land administration, public service procedures, digital skills, citizen communication, complaint settlement, social policy implementation, and ethical public service. Commune-level officials are now more visible representatives of the state. Their competence and conduct will strongly influence public trust.

Third, fiscal and human resources should be aligned with transferred responsibilities. Not all communes and wards have the same workload. Urban wards may face high volumes of citizen procedures, land records, business-related matters, and migrant population issues. Rural, mountainous, border, and island communes may face different logistical and infrastructure challenges. Staffing and budget allocation should therefore be differentiated according to population size, workload, geography, and service demand.

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Fourth, provincial governments should develop strong support systems for communes. These may include technical hotlines, mobile expert teams, online case-resolution platforms, regular training, and performance dashboards. The province should not merely supervise communes; it should also enable them. In a two-tier model, provincial capacity and commune-level capacity are interdependent.

Fifth, digital systems should be designed around administrative workflows and citizen needs. Interoperability is essential. Digital transformation should reduce repetitive paperwork, simplify information sharing, and allow citizens to track progress. At the same time, non-digital support channels should remain available for citizens who face barriers to online access.

Sixth, reform evaluation should use mixed indicators. Internal administrative indicators such as processing time and workload should be combined with citizen-experience indicators such as satisfaction, accessibility, transparency, and complaint resolution. PAPI-type indicators can provide a useful external perspective, but sector-specific data and local case studies are also necessary.

7. LIMITATIONS AND FUTURE RESEARCH

This study has several limitations. It relies on documentary evidence and does not include interviews with officials or citizens. It also does not use post-reform administrative microdata because such data were not systematically available for this manuscript. The conclusions are therefore interpretive rather than causal. They identify likely opportunities and risks rather than measuring confirmed outcomes.

Future research should examine the reform through empirical fieldwork. Interviews with provincial officials, commune-level officials, citizens, and public service users would provide insight into how responsibilities are understood and implemented. Comparative case studies could examine variation between urban wards, rural communes, mountainous communes, coastal areas, and special zones. Quantitative studies could measure changes in administrative processing time, citizen satisfaction, complaint resolution, staff workload, and digital service usage. Mixed-method studies would be especially valuable because they could connect institutional design with actual governance experience.

A further research direction concerns the relationship between administrative restructuring and political accountability. The removal of the district level may change how citizens contact representatives, how local problems are escalated, and how higher authorities supervise grassroots performance. Studying these mechanisms would contribute to both Vietnamese public administration research and comparative studies of local governance reform.

8. CONCLUSION

Vietnam's transition from a three-tier to a two-tier local government model is one of the most consequential administrative reforms in the country's recent governance history. Law No. 72/2025/QH15 provides the legal foundation for organizing local administration into provincial and commune levels, while district-level local bodies ceased operation from July 1, 2025. The reform is accompanied by territorial consolidation and a broad program of decentralization and delegation of authority.

This article has argued that the reform should be understood as a state-capacity project rather than a purely organizational adjustment. Its potential benefits include shorter administrative chains, clearer responsibility, improved directness in service delivery, stronger provincial coordination, and greater citizen orientation. However, these benefits are not automatic. The reform also creates risks, including commune-level overload, uneven local capacity, coordination gaps, digital exclusion, and accountability ambiguity.

The central conclusion is that institutional simplification can strengthen state capacity only when it is accompanied by practical implementation capacity. For Vietnam, the decisive issue will be whether commune-level governments can perform expanded responsibilities effectively, whether provinces can coordinate and support them, whether digital systems can replace some of the coordination functions formerly performed through administrative hierarchy, and whether citizens experience public administration as more accessible, transparent, and responsive.

The Vietnamese case contributes to comparative public administration by showing that the architecture of local government matters, but it matters through implementation. Reducing administrative levels can create opportunities for a leaner and more responsive state. Yet state capacity is ultimately built through the alignment of authority, resources, skills, technology, and accountability. The two-tier model will therefore be judged not only by its structural elegance, but by its ability to improve the everyday relationship between citizens and the state.

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