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Theoretical and Practical Basis for Organizing a Two-Tier Local Government Model (Provincial-Communal) Via the Abolition of the District Level in Contemporary Vietnam

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Abstract

In the context of state apparatus reform aimed at streamlining and efficiency, the implementation of a two-tier local government organization (via the abolition of the district-level government) is emerging as an issue requiring serious research and assessment. This article analyzes the theoretical and practical bases to justify the abolition of the district level, thereby contributing to shaping the two-tier

local government model (provincial and communal). Based on theoretical approaches to the rule of law, decentralization, and international experience, combined with practical reviews of pilot programs in select localities, the article identifies the challenges in the implementation process of the two-tier local government model in Vietnam.

Keywords: Local Government, Two-Tier, District Level, Organizational Streamlining

1. Introduction

In the ongoing process of state apparatus reform in Vietnam, the organization of local government has consistently been a core issue. Since 2015, alongside amendments to the *Law on Organization of Local Government*, the requirements for organizational streamlining and enhancing the effectiveness and efficiency of state management have driven the restructuring of the organizational model towards a two-tier system (provincial and communal levels) to replace the traditional three-tier model (provincial, district, and communal). In the current context, maintaining district-level government has given rise to numerous obstacles regarding organizational structure, overlapping jurisdiction, operating costs, and administrative performance.

Concurrently, the policy of rearranging provincial and communal administrative units has been clearly defined in Party resolutions, particularly Resolution No. 37-NQ/TW dated December 24, 2018, of the Politburo, and Conclusion No. 48-KL/TW dated January 30, 2023, of the Politburo regarding the arrangement of district and communal administrative units for the 2023-2030 period. This demonstrates a comprehensive reform trend in the local government organizational model towards streamlining, efficiency, reducing intermediary levels, and strengthening decentralization to the grassroots level.

Practical reality indicates that the maintenance of three levels of government results in many localities lacking sufficient population scale, area, or financial-administrative capacity to sustain an independent level of government, rendering it no longer appropriate. Given this trend, the abolition of district-level government must be situated within a comprehensive set of reorganization solutions, including: Merging substandard communal administrative units that do not ensure management efficiency; Reducing the number of provinces/centrally-run cities towards regional linkages and enhancing regional socio-economic management capacity; and thereby, constructing a two-tier local government model (provincial and communal) consistent with the principles of lean governance, service orientation, as well as the demands for digital interoperability and digital transformation in public administration.

Consequently, the 11th Plenum of the 13th Central Committee, held from April 10 to April 12, 2025, passed Resolution No. 60-NQ/TW, approving the Politburo's proposals and the Project on the plan to merge provincial administrative units, eliminate the organization of the district level, merge communal units, and establish a two-tier local government model. Regarding the organization of the two-tier local government apparatus, it comprises: The provincial level (provinces, centrally-run cities) and the communal level (communes, wards, special zones directly under provinces/cities); terminating the operation of district-

level administrative units effective from July 1, 2025.

2. Theoretical Basis for the Abolition of the District Level

Several perspectives, principles, and approaches provide the theoretical basis for organizing a two-tier local government system (provincial-communal) and abolishing the district level in our country:

First, the perspective on a lean and efficient state apparatus organization

Modern state organization theory asserts that the public authority apparatus should only maintain the levels of government necessary to ensure implementation efficiency and power control. According to Max Weber, the ideal administrative model is one with a clear structure, few hierarchical levels, clearly defined duties, operating on the basis of legal rationality¹. In countries following the unitary state model, designing local government with a minimal number of levels is a common trend aimed at reducing management costs and increasing operational efficiency².

Second, the principle of decentralization and multi-level governance

Decentralization between the central and local levels requires an organizational model consistent with the principle of "assigning tasks to the level closest to the people that can perform them effectively" (subsidiarity). This principle was emphasized in the Council of Europe's Declaration on Local Governance (1995) and is a guiding orientation in governance reform in many developing countries³. The district level, in many cases, does not directly perform basic public services but merely acts as an administrative intermediary. This causes the phenomenon of "intermediary bureaucratization", slowing down the policy implementation process and diluting accountability.

Third, the New Public Management (NPM) approach and the trend of reorganizing local administrative units

According to New Public Management theory, the government needs to operate like an efficient enterprise: lean, dynamic, and service-oriented toward citizens. This model, developed since the late 1980s with significant theoretical contributions from Christopher Hood (1991), emphasizes principles such as results-based management, marketization of public services, and reduction of administrative layers. Notably, a crucial content of NPM is robust decentralization and authorization, whereby the central government strongly devolves power to local levels, and superior levels grant greater autonomy and accountability to subordinate units. The district level in Vietnam's three-tier model can cause a dispersion of authority and resources, running counter to the organizational reform requirement based on the principle of "one management level-one responsibility level"⁴.

¹ Max Weber (1991), *The Theory of Social and Economic Organization*, Oxford University Press.

² OECD (2017). *Multi-level Governance Reforms: Overview of OECD Country Experiences*, OECD Publishing, Paris. <https://doi.org/10.1787/9789264272866-en>

³ Council of Europe (1995) *European Charter of Local Self-Government*, Strasbourg, <https://rm.coe.int/168007a088>

⁴ Hood, C. (1991), *A Public Management for All Seasons?* *Public Administration*, Vol. 69, No. 1, pp. 3-19. DOI: 10.1111/j.1467-9299.1991.tb00779.x

3. Practical Basis for the Abolition of the District Level in Vietnam

First, shortcomings and limitations in the organization and operation of the district-level government apparatus

In the current practice of state apparatus organization, the district level remains a full local government level, comprising the People's Council (HĐND) and the People's Committee (UBND); however, its role and operational efficiency are tending to decline. According to assessments by the Ministry of Home Affairs, the majority of important state management functions are concentrated at the provincial level or directly decentralized to the communal level⁵. Consequently, the district level becomes an administrative intermediary layer, often generating latency in policy implementation and reducing transparency in power control. Furthermore, the current district-level administrative apparatus is bulky, with a large number of specialized departments but spread-out staffing, leading to disproportionate efficiency. A report by the State Audit Office (2022) indicated that certain district-level departments no longer meet the conditions to exist independently regarding both workload and management efficiency⁶.

Second, the phenomenon of overlap, dispersion, and lack of interconnectivity in local management

In fields such as planning, public investment, land, environment, healthcare, and education, authority is often dispersed among provincial, district, and communal levels, causing difficulties in synchronous implementation. For example, according to feedback from Hanoi and Ho Chi Minh City, a communal-level school construction investment project requires policy approval from the district and budget allocation from the province, leading to a preparation time exceeding 12 months⁷. Maintaining three levels of government as currently practiced also increases "institutional compliance costs" for citizens and businesses, while operational efficiency does not improve correspondingly.

Third, review of the pilot model of non-organization of District-level People's Councils

In the 2009-2016 period, Vietnam piloted the non-organization of People's Councils in districts, urban districts, and wards in 10 centrally-run provinces and cities under Resolution No. 26/2008/QH12. The review results showed that not organizing People's Councils at this level did not affect the validity of state management, while helping to shorten the decision-making process and increasing the proactiveness of Provincial and Communal People's Committees⁸. Notably, localities such as Can Tho, Da Nang, Hai Phong, and Ho Chi Minh City, where urban structures are developed all demonstrated positive efficiency when

⁵ Ministry of Home Affairs, Report on the summary of the implementation of the 2015 Law on Organization of Local Government, Hanoi, 2022.

⁶ State Audit Office, Thematic audit report on the organization of the district-level administrative apparatus, 2022.

⁷ Ho Chi Minh City Department of Home Affairs, *Preliminary review report on the urban administration model*, 2021.

⁸ National Assembly, Resolution No. 26/2008/QH12 dated November 15, 2008, on the pilot non-organization of People's Councils in select localities.

reducing an institutional intermediary layer, helping the "urban administration" model promote the role of centralized and smooth operation.

Fourth, the requirement for staff downsizing and restructuring of the contingent of cadres, civil servants, and public employees

Faced with practical requirements, staff downsizing and the restructuring of the civil servant contingent have become urgent priorities. The Party has demonstrated consistency and high political determination in innovating, arranging the organizational apparatus, and downsizing staff to build a professional, responsible, dynamic, and efficient public service that meets the country's development requirements in the new period. This is evidenced by the promulgation and implementation of many key resolutions, most directly Resolution No. 39-NQ/TW dated April 17, 2015, of the 11th Politburo on staff downsizing and restructuring of the contingent of cadres, civil servants, and public employees. Maintaining the district level implies the continued organization of a leadership apparatus (People's Council, People's Committee, specialized divisions), while many districts do not meet the minimum standards for population and area under Resolution 1211/2016/UBTVQH13⁹. Merging the district level (or transferring functions to the province/commune) is a crucial solution to implement downsizing linked with the reorganization of the state apparatus.

Fifth, the practice of arranging provincial and communal administrative units

The policy of rearranging provincial and communal administrative units has been affirmed in Central documents, especially Resolution No. 37-NQ/TW (2018) and Conclusion No. 48-KL/TW dated January 30, 2023, of the Politburo. This arrangement aims not only to streamline the apparatus but also to form a management model suitable for the development level, governance capacity, and modern population-territorial scale. From 2019 to 2021, the entire country arranged 1,056 communal administrative units in 45 provinces and cities, thereby reducing 544 units (equivalent to approximately 5.7% of total communes)¹⁰. Simultaneously, the number of communal cadres and civil servants decreased by over 9,000, contributing to budget savings and improving workforce quality¹¹. Regarding the provincial level, although mergers have not been widely implemented due to political, historical, and cultural factors requiring consideration, the Ministry of Home Affairs has proposed merger principles based on regional linkage, socio-economic similarity, and association with a clearer process of decentralization by territorial region¹². This event creates an important premise for reorganizing local government towards a two-tier system: provincial and communal, ensuring both unified management and alignment with the trend of reducing intermediary levels.

⁹ National Assembly Standing Committee, Resolution No. 1211/2016/UBTVQH13 on standards for administrative units, dated May 25, 2016.

¹⁰ Ministry of Home Affairs, Report on the results of the arrangement of communal-level administrative units for the 2019–2021 period, Hanoi, 2022.

¹¹ Central Organizing Commission, Internal Information No. 37-TTNB/TW, 2022.

¹² Ministry of Home Affairs, Proposal on the pilot study of merging provincial-level administrative units, 2023.

Furthermore, the 11th Plenum of the 13th Central Committee, held from April 10 to April 12, 2025, passed Resolution No. 60-NQ/TW, agreeing on the plan to arrange and merge provincial administrative units in our country from 63 units down to 34 provinces and cities. Consequently, the district level—inherently an intermediary layer—is no longer truly necessary and the Central Committee has agreed to streamline it by terminating its operations and transferring operational functions to the province and commune, thereby increasing management validity and reducing apparatus operating costs.

4. International Experience and Reference Values for Vietnam

4.1 International Experience

a. Experience of France - The model of administrative centralization and the prominent role of the communal level France possesses a long-standing tradition of a unitary state model and strong administrative centralization. France maintains three levels of local administration (region-department-commune), but in essence, management power is concentrated primarily at the central and regional levels. However, in parallel, the communal level (*commune*) holds an extremely important role with high self-governance, creating a unique characteristic in the French administrative system. The commune is the level closest to the people, playing a key role in providing basic services such as civil status, primary education, and public administration. The district level (*arrondissement*) in France has no elected body and no independent governance authority¹³, primarily performing administrative coordination functions. The commune is the most basic and oldest administrative level in France, holding a particularly important position in political and social life. Communes in France have extensive self-governance rights: The Commune has a Municipal Council directly elected by the people and a Mayor elected by the Municipal Council. The Mayor serves as both the representative of the local community and a link in the state administrative system, creating effective interconnectivity.

b. Experience of Japan-Strong focus on the grassroots level, reducing intermediary roles

Japan has a distinct two-tier local government system, with autonomy rights stipulated in the Constitution and the Local Autonomy Law. Specifically:

Provincial Level (To-Dō-Fu-Ken): Comprises 47 units, including 01 Metropolis (To: Tokyo); 01 Circuit (Dō: Hokkaido); 02 Urban Prefectures (Fu: Osaka and Kyoto); and 43 Prefectures (Ken). Each prefecture has a Governor (*Chiji*) and a Prefectural Assembly (*Gikai*), both directly elected by local citizens.

Grassroots/Municipal Level (Shi-Chō-Son): Consists of various types of units with different designations, including: Cities (*Shi*) with various statuses (e.g., Designated Cities-*Seirei Shitei Toshi*, Core Cities-*Chūkaku-shi*); Towns (*Chō/Machi*); Villages (*Son/Mura*); and Special Wards of Tokyo (*Tokubetsu-ku*), where the 23 wards have a status nearly equivalent to cities. Each grassroots administrative unit also has a Mayor/Town Manager/Village Head and a local Assembly elected by the people. The grassroots level is a robustly operating level, responsible for providing the majority of basic public services. The central government

¹³ V. Dubois (2010). *The Bureaucrat and the Poor: Encounters in French Welfare Offices*. Routledge.

plays only a directional role and allocates the budget. As a result, administrative costs are low, and citizens are served faster and more transparently¹⁴.

c. Experience of Nordic Countries (Denmark, Sweden, Norway)-Minimizing administrative levels, focusing on efficiency and digitalization

Nordic countries follow an efficient welfare state model, with public administration management based on technology and strong decentralization. Notably, Denmark implemented administrative reform in 2007, merging over 270 municipalities into 98 larger municipalities while reducing intermediary administrative levels. Currently, there are only two levels of local government: regions and municipalities (*kommune*), wherein the municipal level performs most public services¹⁵. This model demonstrates that the more streamlined the administrative levels, the greater the transparency and the lower the costs. Nordic countries are global pioneers and leaders in applying Information and Communication Technology (ICT) to state management and public service provision. "Digital by Default" is a principle applied by many Nordic nations, whereby public services are prioritized for provision via digital channels.

4.2 Reference Values for Vietnam

First, it is possible to maintain two levels of local government: the provincial level and the communal level (or grassroots level), provided that small administrative units are merged and grassroots governance capacity is enhanced. Therefore, the Party's policy to abolish district-level government has a scientific and practical basis consistent with objective laws.

Second, the organization of communal-level government should reference Japan's experience by designating it as the "grassroots government level". This grassroots level may have various designations suitable for urban, rural, and island areas. Specifically, the grassroots level comprises communes, wards, towns, cities, special districts within the capital, and other special grassroots administrative units.

Third, when arranging local government, there must be clear regulations on the decentralization of functions, duties, authority, and responsibilities between the provincial and grassroots levels. Concurrently, reform must be accompanied by the retraining of the civil servant contingent and the redesigning of the local budget-finance mechanism.

Fourth, strengthen the application of digital technology in local governance and provide public services on digital platforms.

5. Challenges Posed by the Abolition of District-Level Government and the Organization of Two-Tier Local Government in Vietnam

Although abolishing the district level and reorganizing local government according to a two-tier model is a streamlined and efficient solution, it poses several major challenges in practical implementation as follows:

First, challenges regarding infrastructure and resource allocation

¹⁴ Ministry of Internal Affairs and Communications, Japan (2020). Local Autonomy in Japan.

¹⁵ OECD (2017). Multi-level Governance Reforms: Overview of OECD Country Experiences.

The abolition of the district level will require reinvestment in infrastructure, particularly physical facilities and equipment for provincial and communal levels. Certain localities, specifically poor districts and remote or isolated areas, may face difficulties in maintaining public services after authority is transferred to the provincial or communal level. The systems of transportation, healthcare, education, and other infrastructure works will need to be restructured to ensure connectivity between the province and the commune. Additionally, addressing the issue of technical physical facilities and the headquarters of redundant units following the arrangement and merger of provincial/communal levels and the abolition of the district level to avoid the waste of public assets constitutes a significant challenge.

Second, challenges regarding the training and redeployment of cadres and civil servants

The abolition of the district level will precipitate the transfer of cadres and civil servants from the district level to the provincial and communal levels. This requires a plan for retraining the contingent of cadres and civil servants so that they can effectively perform their new functions without disrupting the operations of local government. Furthermore, the transfer of administrative tasks from the district level to the provincial or communal level may encounter disparities in capacity and skills among units.

Third, challenges regarding the legal framework

The implementation process requires major changes in the system of legal normative documents related to the organization of the state apparatus as well as the organization of local government. The amendment and supplementation of the Constitution, laws on the organization of the state apparatus, the *Law on Organization of Local Government*, and other relevant laws must ensure consistency and synchronization across levels of government. Mechanisms for decentralization and devolution must also be clear to avoid overlapping jurisdiction or a lack of coordination between government levels.

Fourth, challenges regarding political and social consensus

The rearrangement of administrative units, particularly the abolition of the district level, may face opposition from local political organizations or communities, especially in districts with long-standing historical traditions or specific local characteristics. A strategy is needed to mobilize the consensus of the people and social organizations, alongside specific solutions to minimize negative impacts on the lives of the citizenry.

Fifth, challenges regarding local socio-economic development

Abolishing district-level government may reduce the capability to supervise, coordinate, and promote local economic development if there are no reasonable measures to transfer authority to the communal and provincial levels. Notably, if communal levels lack sufficient capacity, the development of socio-economic programs at the grassroots level may face difficulties, particularly in poor regions, border areas, and islands.

6. Conclusion

The reform of local government organization, specifically the abolition of the district level and the rearrangement of provincial and communal administrative units, is a critical policy aimed at enhancing management efficiency,

minimizing administrative costs, and strengthening proactiveness in operational administration. Through theoretical and practical analysis, it is evident that the two-tier government model will help reduce jurisdictional overlap between levels while enhancing connectivity, flexibility, and effectiveness in implementing local socio-economic development policies.

However, the process of implementing this model must confront numerous challenges. Issues related to infrastructure, civil servant training, political and social consensus, as well as maintaining flexibility and local economic development, are key factors that must be resolved. Lessons from nations such as France, Japan, and Nordic countries demonstrate that organizing local government is not merely a matter of reducing the administrative apparatus, but a revolution in state management thinking, aiming towards a streamlined, strong, and efficient government system that better serves the people.

Given the aforementioned premises and challenges, Vietnam needs solutions suitable for the cultural and social characteristics and practical conditions of each region and area. In particular, there must be thorough preparation regarding legal institutions, physical facilities, and human resources, while simultaneously listening to contributions from the people and socio-political organizations. The successful implementation of the two-tier government model will be an important step helping Vietnam build a streamlined, efficient, and sustainable state apparatus, meeting development requirements in the context of globalization and the Fourth Industrial Revolution (Industry 4.0).

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