Institutional Breakthrough in Vietnam's New Development Model after Forty Years of Doi Moi

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Abstract: After forty years of Doi Moi (Vietnam's 1986 economic renovation policy), Vietnam has achieved historic economic results, yet its development model still relies heavily on capital expansion, resource extraction and low-cost assembly, while institutional reform and national governance have not kept pace with the requirements of a new development stage. The Resolution of the Third Plenum of the 14th Party Central Committee on renewing Vietnam's development model designates institutional reform and modern national governance as the breakthrough of the coming period, extending positions already taken at the 14th National Congress and demonstrated through the recently completed reorganization of the political system's apparatus. This article situates that designation within a comparative framework drawn from new institutional economics, developmental-state theory and the governance literature on state capacity, rather than relying on the Resolution's own justification alone. Using document analysis combined with historical-logical and comparative methods, and distinguishing primary from secondary sources throughout, the article finds that the reform satisfies two of three analytical conditions, infrastructural priority and a shift toward an enabling state, while a third, verifiable constraint on discretionary power, remains underspecified. The reform's communication dimension is examined, and several risks and limitations for further study are identified.

Keywords: development model; institutional reform; national governance; state capacity; political communication

1. Introduction

Forty years after the launch of Doi Moi, Vietnam's economic renovation policy initiated in 1986, the country has recorded achievements of historic significance: by 2025 GDP had reached approximately USD 514 billion, ranking 32nd in the world and fourth within ASEAN, while gross national income per capita reached about USD 4,970 [1]. The same review acknowledges that the transformation of the development model itself has proceeded slowly, with growth still dependent on investment expansion, resource extraction and processing-assembly activities, and with the reform of national governance lagging behind requirements [1].

This assessment is not confined to the run-up to the Third Plenum. Press coverage of the 14th National Congress, held in January 2026, reports that its documents framed the coming period as a new historical stage centered on national resurgence, a framing associated with General Secretary and President To Lam [2; 3]. Read together with the Resolution later adopted by the Third Plenum, this retrospective functioned as the evidentiary basis for an assertive institutional agenda, including the completion of the socialist rule-of-law state, a modern system of national governance, and a

reorganization of the political system's apparatus already carried out before the Congress [3; 4; 5].

Existing commentary on this reform cycle tends to paraphrase the Party's own documents and reproduce their internal justification: institutions are treated as the priority breakthrough largely because the Resolution itself says so, and the surrounding analysis draws almost exclusively on official and press sources sympathetic to the reform, without situating it against comparative theory or acknowledging risks such as discretionary power, leadership personalization and untested transition costs. To avoid this circularity, this article adopts an independent analytical framework drawn from three strands of comparative political economy: North [6]'s treatment of institutions as the rules that structure economic and political exchange; Acemoglu and Robinson [7]'s distinction between inclusive institutions, which broaden participation and constrain elite power, and extractive institutions, which concentrate power in a narrow group; and Evans [8]'s and Fukuyama [9]'s argument that effective institutions require both a competent, relatively autonomous state and functioning checks on how that state exercises discretion. From these strands, the article derives three criteria used throughout: (a) infrastructural priority, whether institutional reform is designed to change incentives across every sector rather than adding one more sectoral task; (b) an enabling posture, whether the reform moves in an inclusive rather than an extractive or purely controlling direction; and (c) verifiable constraint, whether expanded state discretion is accompanied by mechanisms that make its exercise actually checkable.

Accordingly, this article addresses three research questions. First, judged against this externally derived framework rather than the Resolution's own language, does the institutional breakthrough satisfy the conditions comparative theory associates with genuine institutional transformation? Second, what continuities link the Resolution to the institutional viewpoints already articulated at the 14th Congress, without assuming a single, deliberately unified design where path-dependent sequencing may fit the evidence equally well? Third, what does the communication dimension of the reform, largely absent from existing analysis, suggest about its prospects and risks? The article's contribution is to bring an independent framework, transparent source attribution, and a communication-studies perspective to a body of policy that has so far mostly been described rather than assessed.

2. Methodology

This study adopts a qualitative approach based on document analysis and synthesis, combined with historical-logical and comparative methods. Two categories of source are used and are deliberately not treated as equivalent. The first is the theoretical literature used to build the framework in section 1: North [6], Acemoglu and Robinson [7], Evans [8], Fukuyama [9], and, for the communication dimension, Entman [10] and McQuail [11].

The second category concerns the Vietnamese case itself and comprises three kinds of material that are kept distinct. The first is the Resolution of the Third Plenum, Resolution No. 19-NQ/TW, signed on 28 July 2026, which is cited from its full text as published by the Central Policy and Strategy Commission [4]; the news item announcing its promulgation, published by Vietnam Government News [12], is cited

only to identify the instrument. The second is the thematic report presented by Nguyen Thanh Nghi at the National Conference convened on 29 July 2026 to implement the Resolution [1]; the text consulted is the draft of the report prepared for that conference, which also supplies the macroeconomic figures and the three-period chronology cited in sections 1 and 3.1.1. This report is a separate document from the Resolution and is treated here as an authorized secondary account of the Resolution's content. The third comprises the documents of the 14th National Congress, consulted in the official published volume [13] and, for the Congress Resolution, in the full text published by Vietnam Government News [2], together with contemporaneous press reporting, from which information on the Congress-floor presentation on apparatus reorganization and on the legal-state content of the Congress documents is drawn [3; 5; 14], not from the original speech texts. General Secretary To Lam's 2025 article on institutional and legal reform is cited directly from its published full text [15]. Because the press sources report web-based news items without stable pagination, the article paraphrases their content throughout rather than reproducing verbatim wording, consistent with the Journal's requirement that direct quotation carry a verifiable page reference. Resolutions No. 18-NQ/TW and No. 27-NQ/TW are cited as background instruments whose existence and general mandate are a matter of public record [16; 17].

Three methods are applied. The historical-logical method traces institutional reform across this sequence of documents to assess how far the current designation is continuous with earlier commitments, while remaining alert to the risk that a retrospective account can make a sequence of decisions look more coordinated than it was experienced by the actors who made them. The comparative method applies the three criteria in section 1 to the material presented in section 3.1, summarized in Table 1. The generalization method converts the findings into specific, checkable indicators in the conclusion.

The analysis is limited to institutional and governance content; sector-specific tasks are discussed only where they illustrate the institutional framework itself. Figures on the apparatus reorganization are treated as officially reported estimates rather than independently audited statistics, since no independent governance indicator was available to corroborate them at the time of writing.

3. Results and Discussion

3.1. Results

3.1.1. Forty years of Doi Moi: achievements and constraints

A national development model, understood through a systems lens, comprises guiding viewpoints, development goals, foundational elements, principal pillars, a system of driving forces, and a configuration of state-market-society interaction that must be periodically revised to match new conditions [1]. The thematic report identifies three sub-periods, 1986-2010, 2011-2020 and 2021-2025, across which Vietnam's model has been progressively formed and refined [1; 18].

By the same account, Vietnam's economy has grown from underdevelopment to roughly USD 514 billion, with a trade volume placing the country among the world's

fifteen largest trading nations [1]. The report nonetheless states explicitly that growth remains dependent on investment expansion, resource extraction and low-value assembly; that culture has not yet become a genuine internal driving force; that social security and human security retain vulnerabilities; that environmental governance remains inadequate; and that the reform of national governance itself has lagged behind requirements [1].

3.1.2. Institutional viewpoints in the documents of the 14th National Congress

Resolution No. 27-NQ/TW of the 13th Central Committee had already committed the Party to continuing the construction of a socialist rule-of-law state, and Resolution No. 18-NQ/TW of the 12th Central Committee had set a target, due by 2030, for reorganizing the political system's apparatus to make it leaner and more effective [16; 17]. According to the Party's report reviewing forty years of Doi Moi theory and practice, a document of the 14th Congress, and to press commentary on the Congress documents, the Party restated this commitment, calling for a socialist rule-of-law state led by the Party that guarantees the people's mastery and protects human and citizen rights; stronger state capacity for governance and for enabling development; a complete body of law with strict and effective enforcement; a clearer definition of the roles and powers of the bodies exercising legislative, executive and judicial power, so that state power remains unified, with a clear division of tasks, close coordination and stronger control; and a more complete mechanism for controlling state power [13, pp. 285-286; 14].

A further feature reported in this coverage is a shift in what the Party treats as the true measure of the rule-of-law state, away from the quality of legislative drafting and toward the quality of law implementation itself [14]. This position was anticipated in General Secretary To Lam [15]'s article on institutional and legal reform, which argues that high-quality institutions and laws are the foremost factor determining national success and calls for law-making that protects citizens' rights while abandoning the habit of prohibiting activities merely because they are difficult to manage [15].

According to reporting on the Congress-floor presentation by the Deputy Head of the Central Organization Commission, the apparatus reorganization carried out ahead of the Congress reduced provincial-level units by 29, eliminated the district level of administration entirely, cutting nearly 700 districts, consolidated more than 10,000 commune-level units into 3,321, and streamlined close to 150,000 personnel, exceeding the targets Resolution 18-NQ/TW had set for 2030 well ahead of schedule [3; 5]. The same coverage frames the exercise in terms of fewer intermediary layers, decentralization paired with power control, and a state positioned closer to citizens, and reports four lessons: centralized and unified direction, with the General Secretary described as the reform's principal architect; disciplined but adaptive implementation, moving from an improvised, adjust-as-you-go approach toward a coordinated one; proactive communication intended to build public consensus; and intensified use of technology to manage the transition [3; 5].

3.1.3. Institutional breakthrough content in the Resolution of the Third Plenum

The Resolution places the task group on institutions, national governance and the political system first among seven groups covering institutions, economy, society, culture, environment, defense-security and foreign affairs [1; 4]. Its fifth guiding viewpoint takes institutional and national-governance renewal as the breakthrough, calls for a shift from a managing and controlling mindset to one of enabling and leading development, and measures governance by results and impact [4]. Four elements of the institutional group are of particular analytical relevance: law-making that is clear, transparent, flexible and quickly adaptive, ending the mindset of banning what cannot easily be managed and moving from ex-ante to smart ex-post control; controlled experimentation as a recognized governance method, backed by a legal framework for controlled testing, a consistent mechanism for accepting risk in research, technology and innovation, and controlled piloting of new business models, new governance mechanisms and special policies; digital government, shared data and common platforms as the technical backbone of governance by outcome, together with a national governance index framework to be drawn up in line with international practice; and further streamlining of the apparatus on the principle that every task is assigned to a single lead agency, together with the effective operation of the two-level local government model that followed the provincial- and district-level consolidation already completed [1; 4; 5].

3.2. Discussion

3.2.1. Assessment against the comparative framework

Measured against the three criteria set out in section 1, the material presented in section 3.1 satisfies criterion (a) most clearly at the level of the Resolution: the Resolution makes institutional and national-governance renewal the breakthrough that binds all development pillars into a single whole, and its language of enabling and leading development recurs in the goals and tasks for the economy, society, environment and foreign affairs rather than standing beside them [4], while the forty-year review only implies this priority through its diagnosis and the Congress documents assume it without fully arguing it. Criterion (b) is progressively engaged: the Congress-level shift from prohibition-by-default to a more permissive posture, and the Resolution's explicit move from control to enabling and from ex-ante to smart ex-post supervision, together with its specific instruments (adaptive law-making, controlled experimentation and digital government), all point toward the inclusive pole of Acemoglu and Robinson [7]'s typology rather than the extractive one [4]. Criterion (c) is markedly weaker throughout: the Congress documents state the requirement that power be divided and controlled only in principle, and the Resolution's own instruments create new discretion: although the Resolution names accountability, enforcement discipline and power control among its governance aims [4], controlled experimentation is, by its own logic, a grant of authority to act ahead of settled law, and the text does not specify who adjudicates disputes, what recourse affected parties have, or how the outcomes meant to measure success are audited. This asymmetry, strong on enabling capacity, underspecified on constraint, corresponds to the configuration that Fukuyama [9] and Evans [8] identify as the more common and more fragile of the two possible failure modes of state-led reform. Table 1 summarizes this pattern across the three stages.

Table 1. Engagement of the three analytical criteria across the reviewed stages

Stage	(a) Infrastructural priority	(b) Enabling posture	(c) Verifiable constraint
Forty-year Doi Moi review (3.1.1)	Implied by diagnosis	Not yet addressed	Not yet addressed
14th Congress documents (3.1.2)	Assumed, not argued	Emerging	Stated in principle only
Third Plenum Resolution (3.1.3)	Explicit and systemic	Established in policy	Named as an aim; not operationalized

Note: Ratings reflect this study's reading of the sources cited in section 3.1, not an independent audit.

3.2.2. The communication dimension of the reform

Because this Journal situates political theory alongside communication studies, the reform also warrants a communicative reading. Entman [10]'s framework identifies four functions a political frame typically performs: defining a problem, diagnosing its cause, rendering a moral judgment, and suggesting a remedy. The discourse of national resurgence reported around the 14th Congress performs all four at once, defining forty years of uneven development as the problem, diagnosing lagging institutions as the cause, implicitly judging the earlier pace of reform as a shortcoming to be corrected, and proposing institutional breakthrough as the remedy, which is why this article treats that discourse as an object of analysis rather than as a neutral description of reality.

A second, reflexive observation follows from the source base itself. Every account of proactive communication intended to build consensus around the apparatus reorganization is itself an instance of the one-way, mobilizational communication it describes: state-affiliated outlets reporting a Party-sanctioned narrative of successful consensus-building, with no independent survey of how citizens or streamlined officials actually experienced it [3; 5]. Mass-communication theory cautions against treating a media system's account of its own persuasive success as evidence that persuasion, rather than compliance, is what occurred [11]. Closing this gap would require pairing the reform's proactive downward communication with independent upward channels through which citizens and affected officials can report on service disruption or hardship, without that report first passing through the same institutions whose performance it evaluates, a point that links directly to the accountability gap identified under criterion (c) above.

3.2.3. Risks and limitations

Four risks and limitations qualify the otherwise favorable assessment presented above. First is the risk of personalized reform leadership: reforms that depend heavily

on a single leader's authority tend to be more fragile over the long run than reforms embedded in durable rules, since their continuation is contingent on that leader's tenure rather than on institutionalized incentives [6]; whether the institutional package is designed to outlast its current champions is a question the available sources do not answer. Second is the near-total absence of independent verification: every figure discussed in section 3.1.2 is drawn from official reporting or Party-sanctioned press coverage, and no independent governance indicator was available at the time of writing to corroborate whether the reorganization has improved service delivery or reduced corruption risk, as distinct from having reduced headcount and the number of administrative units. Third is the risk of teleological narration: the line traced in section 3.1.2 from Resolution 18 through Resolution 27, the 14th Congress and the Third Plenum Resolution is a historical reconstruction, not evidence of a single, unified design conceived in advance, and an equally consistent reading is that each document responded to the specific pressures of its own moment, with continuity reflecting path dependency as much as deliberate sequencing. Fourth, official accounts do not foreground the transition costs of abolishing the district level and consolidating roughly two-thirds of the country's communes, a significant short-run disruption to local service delivery and to the livelihoods of streamlined personnel that none of the sources reviewed quantifies.

4. Conclusion

This article has examined the grounds on which the Resolution of the Third Plenum designates institutional reform and national governance as the breakthrough of Vietnam's new development model, assessed against a comparative framework rather than the Resolution's own self-description. The designation is well supported on two of three criteria: the governance lag identified in the forty-year review is treated as an infrastructural constraint rather than a sectoral one across both the 14th Congress documents and the Resolution, and the specific instruments proposed extend a documented shift from a controlling to an enabling posture that predates the Resolution itself. The third criterion, verifiable constraint on the expanded discretion this posture creates, is not yet satisfied by the available evidence, and an implementation narrative personalized around a single leading figure, communicated in a predominantly one-way mode, and reported without independent corroboration or a public accounting of transition costs, does not close that gap on its own.

This study therefore proposes three specific, verifiable steps for subsequent research and policy monitoring. First, Vietnam's standing on independent governance measures, most directly the World Bank's Worldwide Governance Indicators and comparable business-environment surveys, should be tracked before and after implementation, rather than relying on internally reported efficiency metrics; the Resolution's own call for a national governance index framework in line with international practice [4] adds a further object of monitoring, namely whether that framework is published and independently comparable. Second, independent surveys of citizen and civil-servant experience in merged commune-level units should test whether the claimed proximity to citizens has improved service delivery and should surface the transition costs official reporting has so far omitted. Third, once operational, the adjudication mechanism for controlled experimentation should be examined

directly: who decides that a pilot has failed, what recourse exists for those affected, and whether that mechanism is genuinely insulated from the discretion it is meant to check, since this is the point at which the enabling state envisioned by the Resolution could most easily become an unaccountable one.

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