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Reorganizing Public Service Delivery Units to Enhance the Efficiency of Governance and the Use of Public Resources in Vietnam

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ABSTRACT : This study examines the theoretical and policy foundations for reorganizing the structure and organizational apparatus of public service delivery units in the context of public governance reform and administrative reform in Viet Nam. From a theoretical perspective, the study clarifies the concept and role of public service delivery units in providing basic public services. Reorganization should aim to streamline the organizational apparatus, improve management effectiveness and efficiency, strengthen autonomy and accountability, and enhance public service quality. From a policy perspective, the study analyzes the Communist Party's orientations and the State's policies and laws on reforming the organization and operation of public service delivery units, particularly regulations on staff downsizing, financial mechanisms, autonomy, and the socialization of public services. The findings indicate a shift from traditional administrative management toward more flexible governance, in which the State provides direction, regulates, and ensures equity in access to public services.

KEYWORDS : Public service delivery units, policies, organizational restructuring

1. INTRODUCTION

Amid rapid globalization and the growth of the knowledge-based economy, modernizing state governance and administrative reform have become urgent imperatives. Modern public governance aims to shift from traditional administrative management to a system grounded in efficiency, transparency, and accountability. This shift is driven by the limitations of cumbersome, multi-layered, and rigid bureaucratic structures, which raise costs and reduce management efficiency. Consequently, many nations have accelerated efforts to streamline organizational structures, decentralize authority, and grant public service providers greater autonomy. Within this reform process, the New Public Management (NPM) model – systematized by Hood (1991) – has played a pivotal role in the transition from traditional public administration to modern governance models, emphasizing operational efficiency, organizational streamlining, decentralization, autonomy, and accountability. These principles have provided a crucial theoretical foundation for reorganizing and reforming the operational mechanisms of public service entities.

Building upon NPM's emphasis on efficiency, the "New Public Service" (NPS) model broadens the focus to prioritize serving citizens, safeguarding the public interest, and fostering civic engagement. Denhardt and Denhardt (2007) highlight the importance of serving citizens and of governance grounded in public values. In the context of digital transformation, a modern, transparent, and efficient public administration system contributes to better governance, sustainable development, and international integration.

In Vietnam, administrative reform is a central task aimed at establishing a democratic, professional, and modern public administration system. The Master Program on State Administrative Reform for 2021–2030 focuses on streamlining organizational structures, improving workforce quality, and accelerating digital transformation (Vietnamese Government, 2021b). The Vietnamese Government's 2026 action program continues to call for a streamlined, robust organizational structure, a clear delineation of authority, and enhanced implementation capacity within the two-tier local government model (Vietnamese Government, 2026a).

Public service delivery units provide essential services such as education, healthcare, and social services. However, the system remains cumbersome and fragmented, with overlapping functions that disperse resources, hinder coordination, and reduce management efficiency (Pollitt and Bouckaert, 2017). In Vietnam, these units operate across multiple levels and are managed by various supervising agencies, placing increased pressure on the state budget.

Amid rising demand for public services and budgetary constraints, improving the efficiency of public resource utilization has become urgent. Citizens are increasingly concerned with the quality, transparency, and convenience of services. Consequently, the State is promoting financial autonomy and management reform to alleviate the budgetary burden and enhance the quality of public services (Vietnamese Government, 2021b).

2. METHODOLOGY

This article primarily employs the method of analyzing and systematizing legal documents. Specifically, the author reviews, synthesizes, and analyzes current legal regulations concerning the organizational structure of public service delivery units, thereby clarifying the theoretical basis

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and legal framework for reorganizing and consolidating these entities. On this basis, the article shows that the regulatory system serves as a foundational legal framework, enabling public service delivery units to gradually shift their operational model from "management" to "governance." In addition to document analysis, the article examines these legal regulations in the context of the current two-tier local government operational model, highlighting that certain related institutional issues require further study, review, updating, and adjustment to ensure alignment and consistency with practical implementation.

3. RESEARCH RESULTS

3.1. Theoretical basis for the organization and arrangement of public service delivery units: Concepts, principles, and requirements.

Concept, Role, and Characteristics of Public Service Delivery Units

A public service delivery unit is an organization established by a competent state authority that possesses legal personality; it provides public services and supports state management functions in sectors such as education, healthcare, science, culture, and social services. Under the 2025 Law on Public Employees, these units provide the organizational environment in which public employees carry out their professional activities; their organization must align with specific functions, tasks, service quality standards, accountability requirements, and levels of autonomy (National Assembly, 2025; Vietnamese Government, 2026b). Operational funding is derived from the state budget and lawful revenues generated from service activities, in line with current financial autonomy mechanisms.

Public service delivery units play a vital role in the State's public service provision system, helping to meet citizens' essential needs and fostering socio-economic development. They bridge the State and society by implementing public policies and delivering services to the public. Through this system of units, the State ensures broad and stable access to public services, particularly for vulnerable groups.

Functionally, these units provide services and serve the public interest in sectors such as education, healthcare, and others. Unlike administrative agencies—which issue and enforce management decisions—these units carry out specialized professional activities designed to meet citizens' and the community's needs.

Financially, operational resources consist of the state budget and lawful revenues from services. The State is progressively expanding financial autonomy to encourage these units to improve efficiency and proactively generate revenue, while simultaneously ensuring that the objective of serving the public interest is upheld. Regarding management relationships, competent authorities provide administrative, financial, and professional oversight of public service delivery units. This relationship is evolving toward greater autonomy in organizational, financial, and personnel matters.

Principles of Organizational Structure in the Public Sector

In the context of administrative reform and public governance innovation, the state apparatus must ensure the following elements: effectiveness, efficiency, a streamlined structure, and rational decentralization. First, effectiveness is demonstrated by the capacity to exercise state power and consistently implement management decisions. In modern governance, the government does not merely govern through regulations but also collaborates with the private sector and social organizations to address community issues (Denhardt and Denhardt, 2007).

Second, efficiency is reflected in the rational use of public resources to achieve management objectives at an appropriate cost and with high-quality outcomes, thereby enhancing governance quality and fostering socio-economic development. Third, a streamlined structure aims to reduce intermediate administrative layers, minimize functional overlaps, lower costs, and enhance the apparatus's flexibility and adaptability. Decentralization and autonomy involve transferring some authority and responsibility from higher to lower levels or subordinate organizations, enabling lower-level entities to make decisions and implement activities suited to actual conditions.

Principles for Organizing Public Service Delivery Units

Alignment with functions and tasks: Organizational arrangements must align with the specific functions and professional nature of each unit, avoiding bloated structures and functional overlaps. Clearly defining responsibilities and authority improves coordination and service quality while keeping the focus on core tasks. First, avoiding duplication and overlap: Functions and tasks must be clearly delineated among units and departments to prevent multiple organizations from performing the same task, which leads to waste and reduced transparency. Clear accountability facilitates the rational allocation of human resources, finances, and facilities. Second, linking to financial autonomy: Organization and operations must be linked to financial autonomy and accountability for resource use and service quality. Autonomy enables units to proactively manage planning, organizational structure, and resource allocation, while simultaneously reducing intermediary layers and optimizing management costs. Third, ensuring public service quality: Reorganization must maintain and improve service quality, not merely reduce the number of entities or cut costs. Restructuring efforts must secure necessary professional personnel and facilities, meet societal needs, and enhance accountability and performance evaluation. Fourth, streamline the organizational structure and enhance operational efficiency: Streamlining must go hand in hand with reducing hierarchical layers, minimizing overlap, and concentrating resources on core professional tasks, thereby improving management efficiency and the quality of public services.

3.2. Political and legal basis for the organization and restructuring of public service delivery units

The Party's Viewpoints and Guidelines

In the process of administrative reform and the modernization of state governance, reforming the organization and management of public service delivery units has been identified as a crucial task to streamline the apparatus and enhance the operational effectiveness and efficiency of the public sector, as well as the quality of public services. The focus is on restructuring the system by reviewing functions and tasks to merge, consolidate, or dissolve redundant or underperforming units; this reduces the number of organizational entities, minimizes overlap, and concentrates resources.

Organizational reform is coupled with adjustments to management mechanisms and increased autonomy over organization, personnel, and finance, fostering proactivity, accountability, and efficient use of public resources (Vietnamese Government, 2021a; Vietnamese Government, 2025). Based on the level of financial autonomy, units are classified into categories ranging from those that fully cover their own costs to those that receive partial or full state budget funding.

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The policy of diversifying delivery methods and socializing public services encourages the participation of the private sector and social organizations – particularly in education, healthcare, culture, and sports – thereby alleviating budgetary pressure and fostering competition to improve service quality.

Staff streamlining focuses on eliminating unnecessary positions, restructuring the workforce, and enhancing human resource quality. According to the Communist Party of Vietnam (2017), streamlining is not merely about reducing personnel numbers; it must be linked to organizational restructuring and the improvement of operational efficiency. Following five years of implementing Resolution No. 19-NQ/TW, the Politburo issued Conclusion No. 62-KL/TW in 2023, mandating the continued restructuring of the public service delivery network through 2030 while ensuring the quality of and access to essential public services, tailored to the specific characteristics of each sector, field, and locality (Politburo, 2023). Looking toward 2025, Conclusion No. 210-KL/TW further emphasizes organizational refinement as a prerequisite for the synchronized operation of the new organizational model, the promotion of decentralization and delegation of authority, and the elimination of overlaps in functions and tasks (Central Committee of the Communist Party of Vietnam, 2025).

Enhancing efficiency requires management innovation, process improvement, the use of information technology, upgrading professional expertise, and effective resource use. Autonomy fosters flexibility in organization, personnel, finance, and service delivery, but it must be paired with accountability and the maintenance of public service quality.

Legal Documents and Policy Framework

Regulations on Personnel and Public Asset Management

The Law on Public Employees No. 129/2025/QH15, effective July 1, 2026, provides the new legal basis for the professional activities, rights, obligations, recruitment, employment, and management of public employees. This Law lays the foundation for reforming human resource governance in public non-business units based on job positions, competencies, and task performance outcomes, while also strengthening the accountability of unit heads (National Assembly, 2025).

The 2017 Law on Management and Use of Public Assets governs the management, exploitation, and use of assets at public agencies and organizations, including public non-business units. These regulations enhance transparency and efficiency in resource utilization and create conditions for exploiting assets to serve professional operations and public service delivery (National Assembly, 2017).

Regulations on Organizational Structure and Autonomy Mechanisms

Government decrees further specify regulations on the organization, operation, personnel, and finance of public non-business units. Regarding organizational structure, Decree No. 299/2026/ND-CP uniformly regulates the principles, conditions, procedures, and authority for establishing, reorganizing, dissolving, and transferring public non-business units, while linking organizational structure to autonomy schemes, service quality, transparency, and accountability. This decree replaces Decree No. 120/2020/ND-CP and Decree No. 283/2025/ND-CP, thereby updating the organizational framework for public non-business units in line with the two-tier local government model (Vietnamese Government, 2026b).

Regarding the financial mechanism, Decree No. 60/2021/ND-CP, as amended and supplemented by Decree No. 111/2025/ND-CP, continues to classify units according to their level of self-sufficiency in recurrent and investment expenditures, while further refining the mechanisms for task assignment, ordering, and bidding for the provision of public non-business services, as well as the distribution of financial results. This adjustment aims to enhance units' autonomy while maintaining the State's role in ensuring basic and essential public services (Vietnamese Government, 2021a; Vietnamese Government, 2025).

Regulations on Downsizing, Restructuring, and Performance Evaluation

On personnel and performance evaluation, Decree No. 29/2023/ND-CP regulates staff downsizing in conjunction with restructuring personnel by job position, while Decree No. 233/2026/ND-CP establishes a framework for evaluating and classifying the performance of both public non-business units and public employees. Accordingly, organizational restructuring should not be measured solely by reductions in the number of units or staff, but must also consider task performance outcomes, service quality, and resource utilization efficiency (Vietnamese Government, 2023; Vietnamese Government, 2026c).

The Party's Orientation on Reforming Public Non-Business Units

Resolution No. 39-NQ/TW (2015) of the Politburo stipulates that staff downsizing must be linked to organizational restructuring, workforce restructuring, and improving the quality of cadres, civil servants, and public employees based on job positions and development requirements (Communist Party of Vietnam, 2015).

Resolution No. 19-NQ/TW (2017) of the 12th Central Committee of the Communist Party emphasizes the continued reform of the organizational and management system of public non-business units through reviewing and rearranging the network of units; merging units with similar functions, dissolving underperforming units, and converting eligible units to autonomous or enterprise-based operating models. The Resolution also calls for increased autonomy in organization, personnel, and finance, coupled with accountability; gradually reducing dependence on the state budget, diversifying resources, and improving the operational efficiency of public non-business units (Communist Party of Vietnam, 2017).

More recently, Conclusion No. 62-KL/TW (2023) of the Politburo reaffirmed the guiding value of Resolution No. 19-NQ/TW through 2030, while requiring that restructuring be adjusted according to quality, operational effectiveness, and accessibility of public services, rather than being implemented mechanically or uniformly across sectors and localities (Communist Party of Vietnam, 2023). Subsequently, Conclusion No. 210-KL/TW (2025) and Resolution No. 105/NQ-CP (2026) placed the restructuring of public non-business units within the broader framework of completing the new organizational model, strengthening decentralization and delegation of authority, and enhancing the accountability of heads of units (Central Committee of the Communist Party of, 2025; Vietnamese Government, 2026a).

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CONCLUSION

Reorganizing the apparatus of public service delivery units is a central component of administrative reform and the modernization of state governance, aiming to create a streamlined, effective, and efficient system that enhances the quality of public services. Guided by the Party's established viewpoints and policies, alongside an increasingly robust legal framework, this reorganization has reduced the number of organizational units, minimized overlap, and optimized the allocation of financial, human, and material resources. It has been linked to staff downsizing and expanded autonomy, thereby laying the groundwork for a shift from traditional management to modern governance within the public sector. However, implementation still faces challenges related to resource constraints, management capacity, resistance to change, and misalignment between financial mechanisms and organizational models. In particular, in the context of a two-tier local government structure, institutional issues around decentralizing authority and coordinating management require further review and adjustment.

Therefore, organizational restructuring should not be measured solely by reductions in the number of units or personnel; rather, it must be linked to service quality, accessibility, public satisfaction, and the efficient use of public resources. This requires a comprehensive set of solutions encompassing institutional refinement, capacity building, digital transformation, and human resource development. Autonomy and socialization initiatives should be implemented selectively – tailored to the specific characteristics of each sector, field, and locality – to effectively mobilize non-budgetary resources while ensuring the State's continued role in providing essential public services. Amidst digital transformation and international integration, public service delivery units must continue to accelerate technology adoption, enhance workforce capabilities, and strengthen cooperation, aiming to build a modern, dynamic, and efficient system capable of meeting socio-economic development requirements in the period ahead.

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