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into how non-liberal political systems can achieve inclusive growth under conditions of ideological continuity and state-led governance.

Literature Review

Vietnam's transition from a centrally planned economy to a socialist-oriented market economy has been the subject of significant academic inquiry, particularly in the fields of development studies, political economy, and comparative politics. Existing literature may be broadly categorized into three interrelated strands: historical-ideological foundations, institutional transformations, and socio-economic development outcomes.

The first strand focuses on Vietnam's ideological origins and historical trajectory. Scholars such as Fforde,⁶ Beresford, and Masina emphasize the enduring influence of Marxist-Leninist ideology and the country's post-colonial struggles in shaping the Vietnamese Communist Party's (CPV) commitment to a socialist path. This body of work highlights how the revolutionary legacy and geopolitical alignment with the Soviet bloc during the Cold War laid the foundation for centralized governance and state-led economic management. While these studies offer valuable context, they often treat ideology as static and fail to capture how it has evolved pragmatically in response to globalization and economic imperatives.^{7,8}

The second body of literature examines the political and institutional dynamics underpinning Vietnam's reform process. Researchers such as Gillespie,⁹ Gainsborough, and Freeman explore how the CPV maintained its monopoly on political power while selectively liberalizing the economy. These studies often frame Vietnam as a form of "responsive authoritarianism," where limited political pluralism coexists with administrative innovation and policy adaptability. However, many of these analyses focus narrowly on the state's capacity to maintain control or respond to elite interests, without fully investigating how political institutions shape broad-based development outcomes or contribute to long-term social transformation.

A third strand of research emphasizes socio-economic outcomes, particularly in relation to poverty reduction, education, and healthcare. Notable contributions include Glewwe et al.,¹⁰ Tarp et al.,¹¹ and Sepehri et al.,¹² who document the positive impacts of Vietnam's policy reforms on human capital development and welfare indicators. These studies underscore the effectiveness of targeted poverty alleviation programs, rural infrastructure investments, and social protection initiatives. Nevertheless, this literature often isolates sectoral outcomes from the political structures and institutional logics that drive them. Moreover, recent developments in governance reform, decentralization, and regional inequality remain underrepresented in the empirical record.¹³

While each of these strands provides essential insights, they remain largely compartmentalized. Few studies offer a truly integrated analysis that bridges political institutions, ideological commitment, and

social policy implementation. In addition, the literature has yet to develop a comprehensive theoretical framework that explains how Vietnam's centralized political system interacts with market-oriented reforms to produce diverse and, at times, contradictory development outcomes. The role of institutional hybridity—where socialist and market logics co-exist—remains insufficiently theorized.¹⁴

This article addresses these gaps by adopting a multidisciplinary framework that draws on developmental state theory, market socialism, and human development. By doing so, it reinterprets Vietnam's development experience not merely as a product of economic reform or ideological continuity, but as an outcome of dynamic institutional arrangements that mediate between political authority and socio-economic change.¹⁵ Through this lens, the article contributes to ongoing debates on alternative development models and the conditions under which non-democratic regimes can achieve inclusive and sustainable development.

Methodology

This study adopts a qualitative, document-based methodology (Bowen 2009) to examine the interplay between political institutions and social development within Vietnam's socialist-oriented market economy. Given the political sensitivities and regulatory constraints surrounding field-based research in Vietnam—particularly regarding interviews on governance and party-state structures—a qualitative document analysis was selected as the most feasible and ethically sound approach. This method allows for the systematic interpretation of official texts, policy documents, and public discourse to uncover the institutional logic and ideological narratives that underpin Vietnam's development strategy.^{16–18}

The analysis draws upon a range of primary and secondary sources, including resolutions of the Communist Party of Vietnam (CPV), national socio-economic development plans (e.g., the Socio-Economic Development Strategy, or SEDS), legal and regulatory frameworks, and speeches delivered by high-ranking state and party officials. These documents reflect the ideological positioning and strategic priorities of Vietnam's leadership and serve as authoritative expressions of political intent. Complementary data from international organizations such as the World Bank, United Nations Development Programme (UNDP), and International Monetary Fund (IMF) provide empirical indicators related to economic growth, poverty reduction, education, healthcare, and human development.¹⁹ Additionally, peer-reviewed academic literature, think tank reports, and official statistics from the General Statistics Office of Vietnam (GSO) were incorporated to contextualize policy implementation and development outcomes.

The study employs two analytical techniques: **content analysis** and **thematic analysis**. Content analysis was used to identify recurring policy narratives, ideological framing, and institutional discourses in primary documents. This included tracing key phrases

such as “socialist orientation,” “state-led development,” and “harmonious growth,” which appear frequently in official texts and party communications. These discursive elements were coded and categorized to reveal the normative underpinnings of the CPV’s governance rationale.

Thematic analysis was then applied to synthesize findings across document types and policy sectors. Emerging themes included: (1) the role of centralized political authority in policy design and coordination; (2) the hybrid nature of Vietnam’s institutional model, blending market mechanisms with socialist control; (3) the prioritization of social equity alongside economic performance; and (4) structural constraints such as regional inequality and administrative fragmentation. These themes were interpreted in light of the study’s theoretical framework—drawing on developmental state theory, market socialism, and human development theory—to assess how institutional structures mediate policy outcomes.

To ensure reliability and analytical rigor, **triangulation** was employed across different data types (e.g., government, international, academic), governance levels (central, regional), and time periods (pre- and post-Đổi Mới). This approach enabled the validation of findings and minimized source bias, particularly when interpreting official state discourse. Attention was also given to cross-referencing political rhetoric with measurable outcomes—such as poverty rates, literacy levels, healthcare access, and public investment patterns—to evaluate the effectiveness of Vietnam’s development model in practice.^{20,21}

Overall, this methodology enables a holistic examination of Vietnam’s political-institutional landscape and its role in shaping development trajectories. It offers a non-intrusive yet analytically robust approach to studying state-led development in a context where direct access to political actors and internal decision-making processes is limited.

Results and Discussion

The analysis of Vietnam’s socialist-oriented development trajectory reveals a complex and dynamic interplay between centralized political authority and social development outcomes. Drawing on party documents, state policies, and international development indicators, the study identifies four key dimensions in which Vietnam’s governance model has shaped, and been shaped by, its development objectives: economic performance, human capital development, governance effectiveness, and structural challenges.

Political Institutions and Economic Growth

A key dimension of Vietnam’s developmental model is the performance of its political institutions in driving economic growth. The first notable result is the crucial role played by centralized political institutions in sustaining consistent economic growth. Since the Đổi Mới reforms, Vietnam has achieved an average GDP growth rate of over 6% annually, transforming from a low-income to a lower-middle-income country.²² Party

resolutions and national development strategies reveal a strong emphasis on long-term planning, macroeconomic stability, and industrial diversification. The state retained control over strategic sectors through state-owned enterprises (SOEs) while encouraging foreign direct investment (FDI) and private sector development in non-strategic areas. This selective liberalization, managed through top-down mechanisms, aligns with developmental state theory, where bureaucratic coordination and policy discipline are central to economic transformation.

Social Development Outcomes: Education and Healthcare

Second, Vietnam has made substantial gains in social development, particularly in education and healthcare—two pillars of human development. The net primary school enrollment rate reached 98%, while adult literacy exceeded 94% by 2020. Government documents emphasize “education for all” as both a social right and a national development imperative. Community Learning Centers (CLCs) and universal primary education programs, supported by central and provincial authorities, were instrumental in these outcomes.

Similarly, life expectancy rose from 66 years in 1990 to over 75 by 2023, largely due to expanded access to basic healthcare services. Pro-poor health policies—such as health insurance subsidies, rural clinic investments, and vaccination programs—reflect a human development-oriented approach embedded within a socialist welfare logic. These results illustrate the CPV’s prioritization of broad-based social policy, even under conditions of economic liberalization.

Institutional Capacity and Policy Coordination

The third theme that emerged is the dual nature of Vietnam’s institutional system—its strength in planning and coordination, and its weaknesses in implementation and administrative responsiveness. The CPV’s centralized authority enables coherence in national policy formulation and rapid mobilization of resources. However, bureaucratic rigidity, limited local autonomy, and uneven capacity at the provincial level have produced implementation gaps.²³

For instance, while national health targets are clearly articulated, disparities in service quality and access persist between urban and rural areas. The same is true for education, where dropout rates and teacher quality vary significantly across regions. This supports critiques from institutional political economy literature that centralization, while effective in agenda-setting, can hinder adaptive governance at subnational levels.

Persistent Structural Challenges

Despite its achievements, Vietnam’s development model faces significant structural constraints. Regional inequalities remain stark: per capita income in the Southeast region is more than twice that of the Northern Midlands and Mountain Areas. Public investment continues to favor major urban centers, perpetuating rural-urban gaps. Environmental degradation—deforestation, air

pollution, and threats from sea-level rise—poses a growing challenge, particularly in the Mekong Delta.

Moreover, while Vietnam's political system has remained stable, its institutional adaptability is under strain. The increasing complexity of a globalized economy demands more flexible and participatory governance mechanisms, yet the one-party system offers limited space for civil society engagement or bottom-up policy innovation.

These contradictions highlight the tension between ideological continuity and pragmatic adaptation. Vietnam's leadership continues to affirm its commitment to socialist principles, but the mechanisms of governance increasingly rely on technocratic management and market-oriented logic. This institutional hybridity—where developmental goals are pursued through both socialist and capitalist tools—creates internal inconsistencies that are difficult to resolve without broader political reform. These interrelated findings illustrate how Vietnam's governance system both enables and constrains its development trajectory.²⁴

Implications and Contributions

The results of this study contribute to the growing literature on alternative development models by demonstrating how a non-democratic, socialist-oriented system can achieve substantial developmental outcomes without full political liberalization. Vietnam challenges the neoliberal assumption that market efficiency and democratic governance are the only pathways to inclusive growth. Its experience supports the viability of hybrid regimes that blend state control with selective liberalization, provided that institutional coherence and redistributive commitments are maintained.

At the same time, Vietnam's case illustrates the limits of centralized control in addressing complex, multi-level challenges such as regional inequality, environmental sustainability, and service delivery gaps. These findings suggest that future success will require greater administrative decentralization, policy innovation, and inclusive governance structures—without necessarily dismantling the ideological foundations of the current regime.

Conclusion

Vietnam's development trajectory over the past four decades presents a compelling case of how a one-party socialist regime can successfully navigate the tensions between ideological continuity, state-led governance, and market-oriented reform. Through a qualitative analysis of official documents, policy frameworks, and empirical data, this article has shown that Vietnam's socialist-oriented market economy is a product of deliberate political design, sustained by the institutional capacity of the Communist Party of Vietnam (CPV) and guided by a long-term vision of equitable development.

The study finds that centralized political authority has been critical in facilitating economic growth, reducing poverty, and expanding access to education and healthcare. These outcomes demonstrate the ability of an authoritarian yet adaptive political system to

deliver developmental gains, particularly when strategic planning, policy coherence, and public investment are aligned with social objectives. Vietnam's model challenges dominant paradigms that associate inclusive development solely with liberal democratic governance, and instead underscores the importance of institutional context, historical legacy, and ideological coherence.

However, the analysis also reveals persistent structural limitations that threaten the sustainability and inclusiveness of Vietnam's achievements. Regional disparities, bureaucratic inertia, and environmental degradation point to the need for institutional reform, especially in terms of administrative decentralization, local governance capacity, and policy responsiveness. The very mechanisms that have ensured stability and control—centralized authority, ideological uniformity, and limited civic participation—now risk becoming constraints in an increasingly complex and globally integrated policy environment.

Theoretically, this article contributes to the comparative literature on hybrid development models by articulating Vietnam's position as a state that blends features of developmental statism, market socialism, and human development. It demonstrates that political institutions are not merely background variables, but active agents in shaping both the direction and substance of socio-economic transformation.

Practically, the findings offer lessons for other transitional or post-socialist economies seeking to pursue growth without abandoning state leadership or equity concerns. While Vietnam's model is deeply context-specific, its core principles—strategic state planning, targeted social investment, and pragmatic adaptation—may be relevant in designing alternative development strategies in other parts of the Global South.

In sum, Vietnam's path illustrates the possibility of harmonizing state control and market logic within a socialist ideological framework. Whether this model can continue to deliver equitable and sustainable development will depend on its ability to reform from within—enhancing institutional flexibility, promoting policy innovation, and addressing the growing demands of a more diverse and dynamic society.

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