



Building Sustainable Urban Governance in Vietnam: A Framework for Lean, Decentralized and Digitally Enabled Cities

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ABSTRACT

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Vietnam's rapid urbanization has intensified pressures on infrastructure, environmental management and governance capacity, prompting major institutional reforms that include administrative streamlining, decentralization and digital transformation. Yet little empirical research has examined how these reforms operate in practice or how they align with global models of sustainable urban governance. This study investigates the extent to which Vietnam's evolving urban governance arrangements reflect the attributes of lean, decentralized, digitally enabled and participatory governance required to advance Sustainable Development Goal 11. Using a structured qualitative research design, the study combines systematic document analysis of national legal and policy instruments with a focused illustrative case study of Thu Duc City—Vietnam's first officially designated “city within a city.” Documents were selected based on transparent inclusion criteria and were coded across four analytical dimensions: institutional structure, fiscal and functional decentralization, digital governance capacity and mechanisms for participation and risk-sensitive planning. Findings show that Vietnam has achieved incremental progress in streamlining administrative tiers and expanding digital services, but persistent fragmentation, limited fiscal autonomy and weak institutionalized participation constrain the transformative potential of reforms. The article proposes an integrated four-pillar framework for sustainable urban governance and demonstrates its applicability to the Vietnamese context. The study contributes a theoretically informed and empirically grounded model relevant to rapidly urbanizing and climate-vulnerable countries.

1. INTRODUCTION

1.1 Urbanization, sustainability and the governance challenge

Urbanization is one of the most consequential transformations of the twenty-first century, reshaping economic structures, environmental systems and social relations across both developed and developing regions. While cities remain engines of growth, innovation and modernization, they also intensify pressures associated with congestion, land-use conflicts, environmental degradation and climate-related risks. Global scholarship indicates that the sustainability of urban futures is shaped not merely by infrastructure investment or technological deployment but fundamentally by the quality of governance—its institutional coherence, decision-making processes and capacity for integrated, long-term planning [1, 2]. Recent governance research further emphasizes that urban sustainability increasingly depends on multi-level coordination, transnational policy learning, and the

diffusion of governance practices through city networks [3]. Within the framework of the Sustainable Development Goals, SDG 11 underscores that inclusive, resilient and environmentally sustainable cities require governance arrangements capable of coordinating complex systems, engaging diverse stakeholders and responding proactively to climate and development challenges.

Recent studies on climate-sensitive and risk-sensitive governance highlight that cities in the Global South face a “dual burden” of rapid urban growth and limited institutional capacity, often leading to fragmented planning and uneven resilience [4]. This challenge is amplified by climate change, which has been identified as a defining stressor for urban governance systems and a key driver of institutional innovation in cities worldwide [5]. These findings reinforce the premise that sustainable urban development cannot be achieved without governance systems that are adaptable, streamlined and capable of integrating digital innovation, fiscal empowerment and participatory planning.

1.2 Vietnam's urban transition and emerging governance pressures

Vietnam reflects these global dynamics with particular clarity. Rapid urbanization since *Đổi Mới* has transformed cities into major hubs of economic production, investment and innovation. Yet the pace of expansion frequently outstrips the state's ability to coordinate land-use planning, infrastructure provision and environmental management. Metropolitan areas such as Ho Chi Minh City and Ha Noi face persistent congestion, declining air quality, flooding and overstretched public services—challenges compounded by climate vulnerabilities in low-lying and coastal territories [6]. From a human development perspective, uneven urban growth has also generated disparities in access to services, environmental quality, and quality of life [7].

These pressures expose deeper structural constraints within Vietnam's governance system, including overlapping mandates, limited fiscal autonomy, sectoral fragmentation and insufficient capacity for horizontal and vertical coordination [8]. Recognizing these institutional bottlenecks, the Vietnamese Party and State have advanced major governance reforms through instruments such as Resolution No. 06-NQ/TW on sustainable urban development [9] and the National Digital Transformation Program approved under Decision No. 749/QĐ-TTg [10]. These reforms resonate with international experiences in smart and sustainable city governance, where digital transformation is increasingly framed as a governance—not merely technological—challenge [11, 12]. At the same time, the National Assembly has piloted differentiated urban government models in Ha Noi and Ho Chi Minh City, as well as institutional restructuring through the establishment of Thu Duc City [13–15].

Together, these developments signal Vietnam's ambition to modernize its urban governance framework through administrative streamlining, decentralization, and digital transformation. From a strategic management perspective, these reforms can also be interpreted as organizational adaptation to technological, geopolitical, and environmental pressures [16].

Despite the growing policy momentum and an expanding body of research on urban governance in Vietnam, three important gaps remain. First, the existing literature is predominantly descriptive, summarizing legal provisions or administrative reforms without systematically evaluating how these reforms operate in practice or their implications for sustainability and SDG 11 [8]. Second, few studies explicitly situate Vietnam's reforms within global theoretical debates on lean governance and institutional capacity-building in the public sector [17], smart governance or risk-sensitive planning [1, 2]. Third, and most critically, no empirical study has assessed early governance outcomes from Thu Duc City—Vietnam's most ambitious institutional experiment intended to test new organizational models, administrative simplification and digitally supported management [15].

Recent Vietnamese and international studies highlight related but distinct issues, such as the role of social capital in urban resilience [18], the governance implications of smart city implementation for quality of life and sustainability outcomes [12], and the significance of fiscal decentralization for green innovation [19]. However, these lines of research have yet to be integrated into a unified framework or applied systematically to evaluate Vietnam's ongoing reforms. As a result, there is limited understanding of whether current

initiatives collectively constitute a coherent governance pathway toward sustainable urban development.

Responding to these gaps, this study investigates to what extent do Vietnam's recent urban governance reforms—illustrated through the case of Thu Duc City—exhibit the characteristics of lean, decentralized, digitally enabled and participatory governance required to advance sustainable urban development.

To address this question, the study pursues three objectives:

- To synthesize global and Vietnamese scholarship on sustainable urban governance, lean public administration, decentralization, digital transformation and resilience-based planning.
- To develop an analytical framework linking four governance pillars: institutional streamlining, decentralization and fiscal empowerment, digital and smart governance and participatory, risk-sensitive planning.
- To assess the manifestation of these pillars within Vietnam's urban governance reform trajectory, using Thu Duc City as an illustrative empirical case.

This study makes two interrelated contributions to the literature on sustainable urban governance. Empirically, it offers the first structured analysis of Thu Duc City as a governance innovation, providing early insights into the opportunities and constraints associated with Vietnam's evolving urban government model. Theoretically, it proposes an integrated four-pillar framework that brings together strands of scholarship on lean government [20], smart and digital governance [1, 11, 21], fiscal decentralization and sustainability [19] and participatory and resilience-oriented planning [4, 18, 22]. These domains are rarely combined in Vietnamese scholarship, which tends to analyze reforms as isolated initiatives rather than components of a systemic transformation.

By situating Vietnam's reforms within global debates and aligning the integrated framework with SDG 11, the study contributes a conceptually grounded and policy-relevant model that can inform both scholarly analysis and practical reform in Vietnam and other rapidly urbanizing, climate-vulnerable contexts.

2. LITERATURE REVIEW

2.1 Competing paradigms in sustainable urban governance

Global debates on sustainable urban governance reflect a shift from traditional managerial approaches toward integrated, multi-scalar systems capable of addressing complex socio-environmental challenges. Foundational scholarship emphasizes that governance quality—transparency, accountability, participation and coordination—determines the trajectory of sustainable urban development [23]. Within the SDG framework, SDG 11 positions governance as an enabling condition through which cities can achieve inclusivity, resilience and environmental balance. However, the literature reveals tensions between technocratic, institutional, and participatory approaches.

Technocratic models, including smart city and data-driven governance, underscore the role of digital platforms and analytics in improving coordination and efficiency [1]. By contrast, institutionalist perspectives stress the importance of

clear organizational structures, coherent mandates and robust administrative capacity [8]. Meanwhile, participatory and resilience-based approaches highlight co-production, local knowledge and community involvement as drivers of equitable and risk-sensitive urban planning [4, 18]. The coexistence of these paradigms raises questions about how they can be reconciled within governance systems that must deliver both efficiency and legitimacy.

For developing contexts—where capacity constraints, rapid urban growth and climate vulnerability converge—the integration of these paradigms presents a significant challenge. This tension sets the stage for analyzing how countries like Vietnam adapt global governance models to locally specific institutional, socio-economic and political conditions.

2.2 Lean government and debates on administrative streamlining

The lean government literature argues that public-sector performance improves when administrative structures are simplified, redundant procedures are eliminated and service delivery processes are optimized [20]. Empirical studies highlight that such reforms can reduce processing times, enhance transparency and strengthen responsiveness when paired with leadership commitment and performance monitoring [24]. Yet critics warn that lean reforms risk prioritizing procedural efficiency over democratic accountability, potentially weakening deliberative processes if not implemented carefully.

In Vietnam, policy discussions on “*tinh gọn, hiệu lực, hiệu quả*” (streamlined, effective and efficient administration) echo global lean governance principles. Analysis by Le [8] highlights persistent fragmentation and overlapping mandates that hinder coordinated planning and urban service delivery. However, Vietnamese scholarship has not fully examined the risks associated with administrative simplification, such as diminished representation at lower government tiers or reduced autonomy for local actors. This lack of critical engagement reflects a broader gap: while the literature acknowledges the need for leaner institutions, it seldom evaluates how such reforms interact with decentralization, participation or sustainability objectives.

2.3 Smart governance and the digital transformation debate

Digital transformation is widely recognized as a catalyst for modernizing urban governance, enabling integrated service delivery, open data ecosystems and real-time urban management. Scholars argue that smart governance can facilitate collaboration across sectors, enhance transparency and support evidence-based decision-making [1, 21]. Bibliometric reviews show that digital innovation is increasingly linked to SDG 11 and sustainability transitions [2].

However, digitalization introduces new governance risks. Without adequate institutional readiness, digital literacy or data protection frameworks, digital tools may reinforce existing inequalities or create new forms of exclusion. International studies caution that digital transformation must be embedded in institutional capacity-building, clear legal frameworks and inclusive service design to avoid exacerbating disparities [1].

Vietnam’s National Digital Transformation Program [10] signals strong political commitment to building smart

governance systems. Yet uneven implementation across cities, limited interoperability and cybersecurity challenges reveal gaps between policy ambition and practical capacity. These gaps raise two unresolved questions:

To what extent can digital transformation offset structural constraints in Vietnam’s multi-tiered governance system?

How should digital governance reforms interact with administrative, fiscal and participatory reforms to support SDG 11?

2.4 Decentralization, fiscal autonomy and governance fragmentation

Decentralization is widely considered essential for improving service delivery, strengthening accountability and enabling locally responsive planning. Studies in Southeast Asia show that decentralization enhances resilience when accompanied by sufficient fiscal and technical capacity [4, 25]. In Vietnam, fiscal decentralization has been found to promote green innovation and sustainability outcomes [19], suggesting that empowered local governments can support climate-responsive development.

Yet other studies reveal persistent fragmentation, ambiguous functional assignments and weak horizontal coordination across sectors and levels of government [26]. Legal analyses show that while Vietnam’s reforms assign responsibilities to local authorities, these mandates are often not matched by adequate financial resources or regulatory clarity [27]. This inconsistency creates a structural contradiction: decentralization on paper coexists with centralized fiscal mechanisms, limiting cities’ ability to implement long-term sustainability strategies.

The literature thus exposes a critical research gap: how can Vietnam reconcile administrative decentralization with fiscal empowerment and functional clarity to achieve meaningful improvements in urban governance capacity?

2.5 Participatory and risk-sensitive planning: promises and limitations

Participatory governance is increasingly recognized as essential for ensuring legitimacy, social cohesion and resilience in urban development. Studies show that social capital and community networks play a significant role in enhancing adaptive capacity and disaster preparedness [18]. International evidence indicates that participatory budgeting, digital feedback platforms and community-based planning contribute to more equitable urban outcomes [28].

Nevertheless, the literature also highlights persistent barriers. Participation may be superficial if not institutionalized; vulnerable groups may remain excluded; and coordination failures may undermine the integration of local knowledge into planning [4]. In Vietnam, despite extensive consultation processes within planning law, genuine co-production of services remains limited, and risk-sensitive planning is inconsistently applied [26].

This raises an important question: how can participatory and risk-aware mechanisms be embedded within Vietnam’s evolving governance architecture in ways that enhance resilience, inclusion and sustainability?

2.6 Synthesis: Contradictions, convergences and research gaps

A synthesis of the four major debates—lean governance,

smart governance, decentralization, and participatory resilience—reveals several structural contradictions that the existing literature has not adequately reconciled. First, the pursuit of administrative efficiency through streamlining tends to conflict with the goals of local representation and accountability, raising concerns that institutional simplification may erode democratic engagement at lower administrative tiers. Second, while digital governance is frequently promoted as a solution for fragmented urban management, there remains a significant mismatch between ambitious national digital transformation agendas and the limited institutional readiness and technical capacity observed in many Vietnamese cities. This misalignment generates gaps between policy aspiration and practical implementation. Third, ongoing decentralization reforms assign greater responsibilities to urban governments, yet fiscal mechanisms continue to centralize revenue authority, leaving cities with insufficient financial autonomy to execute the functions they are mandated to perform.

Although these tensions appear repeatedly across international and Vietnamese studies, no existing research integrates them into a unified analytical framework or examines how they interact within Vietnam's ongoing governance reforms. The absence of empirical analysis is particularly notable in the case of Thu Duc City, the country's most prominent experiment in metropolitan-scale institutional restructuring. As a newly established "city within a city," Thu Duc offers a valuable opportunity to assess whether Vietnam's reforms can meaningfully advance SDG 11 and support smart, resilient and sustainable urban governance. Yet to date, no scholarly work has systematically evaluated how these reforms manifest in practice within this critical urban laboratory.

2.7 Rationale for the conceptual framework

These gaps underscore the need for a conceptual framework that brings together the interdependent dimensions of institutional streamlining, fiscal and functional decentralization, digital and smart governance and participatory, risk-sensitive planning. Although each of these elements has been examined individually within the literature, existing studies rarely investigate how they intersect or how their interaction shapes the overall effectiveness of urban governance reform in Vietnam. By integrating these strands into a single analytical model, the proposed four-pillar framework offers both a theoretically grounded and policy-relevant lens for assessing Vietnam's evolving governance landscape.

This integrated perspective provides the conceptual foundation for the methodological design presented in the Methodology Section and informs the empirical examination of Thu Duc City in the Findings Section, where the framework is applied to evaluate the coherence, implementation and limitations of Vietnam's contemporary governance reforms.

3. METHODOLOGY

3.1 Research design

This study adopts a qualitative research design that integrates structured document analysis with an illustrative empirical case study. The research design is grounded in the

recognition that urban governance reforms in Vietnam—particularly those involving institutional restructuring, decentralization, digital transformation and participatory mechanisms—can be meaningfully assessed through systematic interpretation of legal texts, policy documents and scholarly analyses. Rather than generating primary quantitative data, the study synthesizes and interprets existing sources to evaluate whether Vietnam's governance reforms embody the characteristics of sustainable, lean, decentralized and digitally enabled urban governance discussed in global scholarship.

Given the early stage of institutional experimentation in Thu Duc City, a qualitative design enables close examination of governance arrangements as they are articulated in policy and practice, while allowing the identification of emerging patterns and systemic constraints relevant to SDG 11.

3.2 Document selection and inclusion criteria

The document corpus was assembled through a multi-step process designed to capture the full institutional, legal and policy landscape of Vietnam's urban governance reforms. Documents were selected using four inclusion criteria:

- a) Relevance to urban governance reform, including institutional restructuring, decentralization, administrative streamlining, digital transformation and participatory planning.
- b) Official status or scholarly credibility, prioritizing national laws, resolutions, decrees, ministerial guidelines, strategic policy programs and peer-reviewed academic literature.
- c) Temporal relevance, focusing on materials published between 2013 and 2025, a period corresponding to Vietnam's major governance reforms and the global consolidation of SDG 11 and smart governance debates.
- d) Application to the case of Thu Duc City, including documents that define the city's legal status, administrative organization and governance functions.

Based on these criteria, the document set comprises:

- national legal frameworks such as the Consolidated Law on Local Government Organization [29];
- National Assembly resolutions piloting urban government in Ha Noi, Ho Chi Minh City and Thu Duc City;
- high-level policy directives such as Resolution No. 06-NQ/TW [9] and Decision No. 749/QĐ-TTg on the National Digital Transformation Program [10];
- sectoral reports on risk-sensitive governance [26];
- peer-reviewed studies on governance, smart cities, decentralization and resilience [1, 2, 4, 18, 19];
- empirical studies on Thu Duc City's legal structure [15].

All documents were retrieved from official government portals, reputable academic databases and recognized institutional repositories.

3.3 Coding and analytical procedure

A structured, multi-stage coding procedure was implemented to extract and interpret governance-related evidence.

Stage 1: Open coding

All documents were reviewed to identify initial codes

related to institutional arrangements, administrative streamlining, decentralization, fiscal mechanisms, digital governance systems, participatory processes and resilience planning. This inductive phase ensured that context-specific factors unique to Vietnam were not overlooked.

Stage 2: Axial coding based on the four analytical pillars

Codes were reorganized into four deductive categories derived from the Literature Review:

- institutional streamlining and lean structures;
- decentralization and fiscal empowerment;
- digital and smart governance;
- participatory and risk-sensitive planning.

During this phase, emphasis was placed on identifying contradictions, implementation gaps and interactions across governance dimensions.

Stage 3: Cross-case analytical mapping

Findings from national policy documents were compared with evidence from Thu Duc City, enabling the identification of whether—and to what extent—this new urban entity reflects national reform intentions. This mapping also highlights discrepancies between the formal design of reforms and their practical expression in Thu Duc’s emerging governance arrangements.

This structured coding approach ensures transparency and replicability, allowing the analytical framework to be applied in future case studies of other Vietnamese cities.

3.4 Analytical dimensions

The analysis is organized around four mutually reinforcing dimensions identified through the literature review:

- a) Institutional streamlining—assessed through evidence of reduced administrative layers, clearer functional assignments and redesigned governance structures.
- b) Decentralization and fiscal autonomy—examined through legal mandates, budgetary authority, revenue allocation mechanisms and the capacity of local governments to plan and finance urban development.
- c) Digital and smart governance—evaluated through interoperability of digital systems, service digitalization, data governance standards and implementation of national digital transformation targets.
- d) Participation and risk-sensitive planning—analyzed through mechanisms for citizen engagement, public oversight, community co-production, and integration of climate and disaster risk into planning.

Each dimension is assessed at both the national scale and within the Thu Duc City case to identify alignment, gaps and divergences.

3.5 Triangulation and validity strategies

To strengthen analytical credibility, the study employs three triangulation strategies:

- Source triangulation—cross-checking information across legal documents, policy guidelines, peer-reviewed studies and international reports to validate interpretations and mitigate bias arising from reliance on any single source.
- Conceptual triangulation—comparing Vietnamese reforms against established governance frameworks in sustainable urban development, smart governance and

decentralization to ensure theoretical grounding.

- Case-context triangulation—using Thu Duc City as a practical test case to assess whether national reform intentions translate into meaningful institutional arrangements at the metropolitan level.
- Together, these strategies enhance the robustness and validity of findings despite the qualitative nature of the study.

3.6 Limitations

This study acknowledges several limitations. First, the analysis relies primarily on secondary sources and official legal and policy documents. While these materials provide authoritative insight into institutional design and reform intent, they may reflect policy objectives more clearly than the realities of on-the-ground implementation and administrative practice. Second, as Thu Duc City is a recently established urban entity, the availability of empirical evidence remains limited, and long-term governance outcomes and sustainability impacts cannot yet be systematically assessed. Third, the absence of primary data collection—such as interviews with policymakers, administrators, or community stakeholders—constrains the depth of insight into bureaucratic routines, political negotiation processes, and informal coordination mechanisms. Finally, although the proposed analytical framework offers a holistic and integrative lens, it does not fully capture intra-national variation across different Vietnamese cities, nor does it comprehensively account for informal governance dynamics that may influence local implementation.

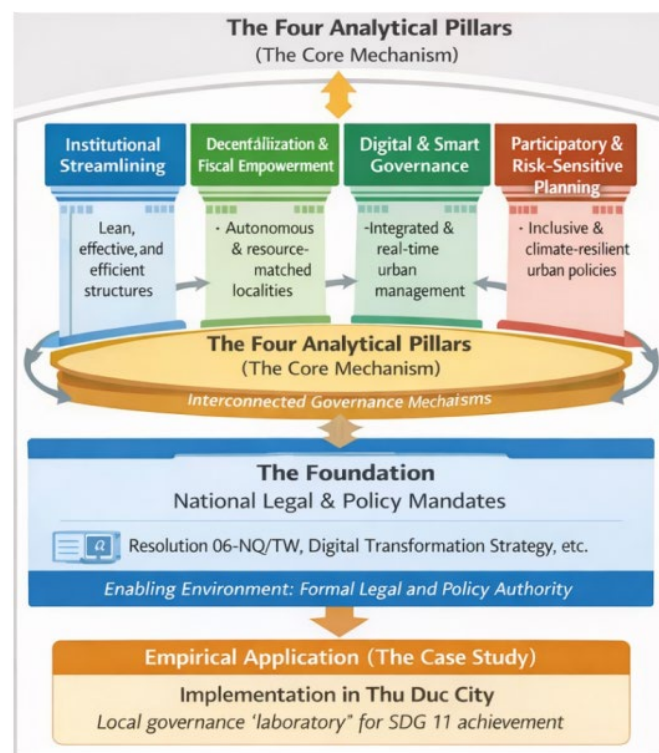


Figure 1. Integrated framework for sustainable urban governance in Vietnam

Despite these limitations, the study’s structured qualitative methodology and transparent analytical procedure provide a rigorous foundation for evaluating Vietnam’s contemporary urban governance reforms. Moreover, the framework

developed in this study is designed to be replicable and adaptable, offering a coherent basis for future empirical research across other Vietnamese cities and comparable rapidly urbanizing contexts.

As illustrated in Figure 1, the integrated analytical framework positions national legal and policy mandates as the enabling foundation for four interdependent governance pillars—namely, institutional streamlining, decentralization and fiscal empowerment, digital and smart governance, and participatory risk-sensitive planning—which are empirically examined through the case of Thu Duc City to assess progress toward SDG 11.

4. FINDINGS: THU DUC CITY CASE ANALYSIS

Thu Duc City represents Vietnam's most ambitious experiment in urban governance restructuring, intended to streamline administrative functions, enhance metropolitan coordination and accelerate the transition toward smart and sustainable urban development. As the country's first "city within a city," Thu Duc provides a valuable empirical context for assessing whether national governance reforms—administrative, fiscal, digital and participatory—translate into meaningful institutional transformation. Findings from the structured document analysis and coding process are presented across the four analytical dimensions. Consistent with the analytical framework presented in Figure 1, the findings are organized around the four governance pillars and examine how national reform intentions translate into practical governance arrangements in Thu Duc City.

4.1 Institutional streamlining in Thu Duc

The establishment of Thu Duc City under Resolution No. 131/2020/QH14 and subsequent local enactments has been widely viewed as a major step toward rationalizing governance structures in Ho Chi Minh City. By merging three former districts (District 2, District 9 and Thu Duc District), the reform aimed to reduce administrative fragmentation, improve cross-sectoral coordination and elevate Thu Duc's status as an innovation-driven urban nucleus [15].

Evidence from official documents and academic analyses suggests that streamlining has occurred primarily in two ways. First, consolidation has reduced the number of intermediate administrative units, allowing for more coherent management of land-use planning, infrastructure investment and development regulation. This aligns with international literature emphasizing that institutional simplification can improve responsiveness and reduce duplicative procedures [20]. Second, Thu Duc is endowed with enhanced authority for sectoral coordination within its territory, particularly in areas related to urban planning, innovation districts and transport connectivity.

However, the findings also reveal structural contradictions that limit the transformative potential of these reforms. Despite its "city" designation, Thu Duc remains legally subordinate to Ho Chi Minh City and does not possess a fully autonomous administrative structure. Multiple functional domains—such as land management, major public investment decisions and environmental regulation—continue to require approval from higher-level authorities. This partial streamlining introduces new coordination demands even as it aims to reduce fragmentation. The resulting institutional arrangement

illustrates a broader national trend in which administrative restructuring advances faster than legal and regulatory harmonization.

4.2 Decentralization and fiscal authority

The document analysis shows that decentralization is a central rationale for Thu Duc's establishment, yet the city's actual fiscal and functional autonomy remains limited. While Thu Duc has been delegated increased responsibilities in urban development, economic management and service delivery, its financial authority is constrained by the general fiscal framework governing Ho Chi Minh City. As Doan and Doan [27] emphasize, decentralization without corresponding fiscal power generates tensions between policy ambition and implementation capability.

Three specific constraints emerge from the findings:

Revenue dependence: Thu Duc does not possess independent taxing authority and relies heavily on allocations from the Ho Chi Minh City budget. This limits its capacity to design or sustain long-term sustainability initiatives, infrastructure strategies or digital transformation programs.

Investment authority: Large-scale public investment projects continue to be approved at the municipal or ministerial level, reducing Thu Duc's ability to respond flexibly to local infrastructure demands.

Functional ambiguity: Certain administrative responsibilities overlap between Thu Duc and sectoral departments of Ho Chi Minh City, creating uncertainty regarding who is responsible for implementation, monitoring and evaluation.

These findings reflect broader national patterns in which decentralization reforms have expanded administrative responsibilities for local governments but not provided commensurate fiscal autonomy [19]. As a result, Thu Duc illustrates the persistent gap between decentralization in principle and decentralization in practice.

4.3 Digital governance implementation

Thu Duc City is intended to function as a model for smart governance and urban digital transformation, in alignment with Vietnam's National Digital Transformation Program [10]. Documents reviewed indicate that Thu Duc has prioritized the deployment of digital public services, integrated data platforms and smart city applications in fields such as transportation, administrative service delivery and urban management.

The findings reveal significant progress in three areas. First, Thu Duc has expanded its portfolio of online public services, enabling residents to access administrative procedures more efficiently and transparently. Second, the city has piloted interconnected data systems across selected departments, improving coordination in land-use planning and construction permit management. Third, Thu Duc has incorporated smart mobility and environmental monitoring initiatives, consistent with global models of sustainable smart governance [1, 2].

Nevertheless, the evidence indicates that digital governance faces constraints common across the Vietnamese context. Inter-departmental data integration remains uneven, with several systems lacking full interoperability. Technical capacity limitations hinder the effective implementation of advanced digital tools, particularly at ward level. Furthermore, cybersecurity concerns and the need for clearer standards for

data protection have been highlighted in national assessments of digital transformation readiness. These challenges reflect a gap between Thu Duc's strategic ambition and its institutional and technical capacity to realize a holistic smart governance system.

4.4 Participation and risk-sensitive planning

Participation and resilience-oriented planning are identified in both the global literature and Vietnamese policy discourse as essential components of sustainable urban governance [4, 18]. Within Thu Duc, efforts have been made to expand citizen engagement through public consultation processes, digital feedback portals and community-level dialogues regarding urban planning and service delivery.

The analysis reveals, however, that these participatory mechanisms remain largely procedural rather than substantive. Consultation processes are typically conducted to meet legal requirements, and feedback mechanisms are not yet fully institutionalized in routine planning and decision-making cycles. Evidence of co-production—where residents directly participate in the design or implementation of services—remains limited. This gap aligns with national findings that participatory governance in Vietnam often stops short of enabling shared decision-making or empowering communities in meaningful ways [26].

Risk-sensitive planning displays a similar pattern. Although Thu Duc is located in a region exposed to flooding, heat stress and climate-driven hazards, there is insufficient evidence of systematic integration of hazard mapping, climate projections or resilience assessments into urban planning processes. This limitation is consistent with international findings suggesting that risk-sensitive planning is least developed in rapidly urbanizing secondary cities [4].

4.5 Synthesis of governance strengths and constraints

The findings indicate that Thu Duc City embodies several strengths aligned with Vietnam's broader governance reform agenda. Institutional consolidation has improved coordination across former district boundaries; digital governance initiatives have introduced modern management tools; and decentralization reforms have clarified certain functional responsibilities. These developments demonstrate incremental progress toward the lean, smart and sustainability-oriented governance envisioned at the national level.

However, Thu Duc also illuminates persistent systemic constraints. Administrative streamlining has not been matched by full legal autonomy; fiscal decentralization remains insufficient to support major development initiatives; digital transformation outpaces technical and institutional readiness; and participatory and risk-sensitive planning remain weakly embedded. These shortcomings reflect the national-level contradictions identified in the literature and suggest that reforms must advance in an integrated, mutually reinforcing manner to achieve transformative impact.

Overall, Thu Duc City provides a revealing case through which to assess Vietnam's urban governance transition. While reforms have laid important foundations, their partial and uneven implementation suggests that significant institutional, fiscal and participatory constraints must be addressed for the country to realize the aspirations of SDG 11 and build sustainable, resilient urban futures.

5. DISCUSSION

5.1 Positioning Vietnam within global debates on sustainable urban governance

The findings from Thu Duc City reveal that Vietnam's urban governance transition reflects broader global dynamics observed in rapidly urbanizing and climate-vulnerable contexts. International scholarship emphasizes that sustainable urban futures require governance systems capable of integrating institutional reform, digital innovation and participatory resilience-building [1, 2]. Vietnam's ongoing reforms—articulated through Resolution No. 06-NQ/TW [9], the National Digital Transformation Program [10] and the restructuring of local government—mirror these global aspirations.

At the same time, Vietnam also exemplifies challenges commonly observed in the Global South. As Marks and Pulliat [4] note in their analysis of Southeast Asian secondary cities, decentralization efforts often outpace local capacity, and climate-sensitive planning remains inconsistently embedded within everyday governance practices. Thu Duc's experience mirrors these tensions: although administrative streamlining and digital initiatives are underway, gaps in fiscal autonomy, data integration and participatory engagement limit their transformative potential.

Overall, Vietnam's trajectory positions it as a hybrid case—neither fully centralized nor fully decentralized, technologically ambitious yet institutionally constrained, and forward-looking in governance vision but challenged by uneven implementation capacity. This dual position highlights both the promise and the fragility of governance transitions in middle-income, rapidly urbanizing states.

5.2 Theoretical contributions of the integrated four-pillar governance model

The study contributes theoretically by integrating four governance domains—lean institutional streamlining, decentralization and fiscal empowerment, digital and smart governance, and participatory, risk-sensitive planning—into a unified analytical model for assessing sustainable urban governance. While each domain is well represented in international debates, existing research rarely synthesizes them into a coherent framework applicable to emerging urban contexts such as Vietnam.

Lean governance scholarship [20] focuses primarily on procedural efficiency; digital governance studies emphasize technological platforms [1, 21]; decentralization literature centers on authority and fiscal arrangements [19]; and resilience studies highlight community participation and adaptive capacity [4, 18]. Yet sustainable urban development demands governance systems that simultaneously address institutional effectiveness, technological capability, fiscal space and participatory legitimacy.

By demonstrating how these four dimensions interact—and sometimes conflict—within Thu Duc City, the study advances a more holistic conceptualization of sustainable urban governance. The framework bridges fragmented scholarship and provides a structured tool for comparative analysis across cities and countries undergoing similar transitions.

5.3 Implications for achieving sustainable and smart urban governance

The empirical assessment of Thu Duc City suggests several implications for Vietnam's pursuit of sustainable, smart and resilient urban governance.

First, institutional reform must progress in tandem with fiscal and technological capacity-building. Administrative streamlining without fiscal empowerment risks creating a governance structure that is efficient in form but limited in function. Similarly, digital transformation initiatives will not achieve their potential without clear data governance standards, interoperable systems and substantial human resource development.

Second, participation and resilience must be institutionalized rather than procedural. While consultation processes exist, Thu Duc's experience shows that they remain insufficiently embedded in planning cycles. Incorporating community-based knowledge, integrating risk assessments into planning, and enabling co-production of services would strengthen both legitimacy and adaptive capacity [4, 18].

Third, urban governance reforms must be territorially differentiated. Thu Duc's unique mandate reflects an attempt to experiment with metropolitan governance, but other Vietnamese cities face different demographic, economic and environmental pressures. Sustainable governance requires models tailored to city type and functional role.

Finally, policy coherence across governance tiers is essential. Misalignment between national reform ambitions and local implementation capacity—particularly in fiscal autonomy and digital readiness—risks hindering Vietnam's broader pursuit of SDG 11.

5.4 Balancing standardization and contextualization in Vietnam's governance reforms

The case of Thu Duc City illustrates a broader tension in Vietnam's governance restructuring: the need to balance national standardization with local contextualization. Standardization provides uniformity, legal clarity and administrative coherence across the national system. However, it may constrain local governments' ability to experiment with innovative governance models, respond rapidly to local needs or tailor policy to specific socio-ecological conditions.

Thu Duc exemplifies this tension. Although consolidated as a metropolitan governance unit, it remains embedded in the centralized hierarchy of Ho Chi Minh City and is constrained by national fiscal and legal frameworks. This structure ensures oversight but limits flexibility—mirroring contradictions discussed in comparative studies of hybrid governance systems in the Global South [25].

The findings underscore that sustainable urban governance in Vietnam requires a calibrated approach. Excessive uniformity may undermine responsiveness and innovation, while excessive fragmentation risks inefficiency and inconsistency. The challenge lies in designing asymmetrical governance arrangements that allow cities like Thu Duc to pilot reforms while maintaining coherence with national legal and fiscal systems.

This tension also carries important implications for scaling governance reforms. If Thu Duc City's model is to inform a national urban governance strategy, policymakers will need to refine legal frameworks to accommodate differentiated governance arrangements, grant controlled yet meaningful

fiscal autonomy to urban authorities, enable modular and interoperable digital transformation processes, and institutionalize participation and resilience as core governance functions rather than treating them as optional or peripheral components.

6. CONCLUSION

Vietnam's rapid urban transition presents both significant opportunities and profound governance challenges. As the country seeks to modernize its institutional architecture and advance sustainable development, the demand for governance models that are efficient, adaptive and resilient has become increasingly urgent. This study examined Vietnam's evolving urban governance reforms through the integrated lens of institutional streamlining, decentralization and fiscal autonomy, digital and smart governance and participatory, risk-sensitive planning. Using Thu Duc City—Vietnam's flagship experiment in metropolitan restructuring—as an illustrative empirical case, the analysis assessed the extent to which these reforms reflect global paradigms of sustainable urban governance and support the aspirations of SDG 11.

The findings reveal that Vietnam has made meaningful progress in rationalizing administrative structures, piloting urban government models and expanding digital public services. Thu Duc City demonstrates early gains in cross-sectoral coordination, service integration and innovation-oriented planning. However, the study also identifies persistent systemic constraints that hinder transformative governance outcomes. Administrative streamlining remains incomplete due to legal and functional dependencies on higher-level authorities; fiscal autonomy remains limited despite expanded responsibilities; digital transformation efforts face technical and institutional barriers; and participatory and risk-sensitive planning remain procedural rather than substantive. These tensions reflect contradictions found across the international literature and highlight the need for more integrated reform pathways.

The study contributes theoretically by synthesizing four traditionally fragmented governance domains into a unified analytical framework for assessing sustainable urban governance in emerging contexts. This integrated model reconciles insights from lean government theory, decentralization and fiscal governance, smart and digital governance and participatory-resilience scholarship. Empirically, the study provides the first structured analysis of Thu Duc City's governance arrangements, demonstrating how national reform ambitions manifest—and are constrained—within a newly established metropolitan governance entity. By situating Vietnam within broader global debates, the study contributes to comparative urban governance research in the Global South.

Several policy implications emerge from the findings. First, governance reforms must advance in an integrated manner: administrative streamlining, fiscal empowerment, digital transformation and participatory mechanisms will be insufficient if pursued in isolation. Second, fiscal decentralization requires clearer mandates and enhanced revenue authority to enable cities to finance long-term sustainability strategies. Third, digital transformation must be accompanied by investments in human capacity, interoperable data systems and robust data governance frameworks. Fourth, participatory and risk-sensitive planning processes should be

institutionalized to ensure meaningful engagement and enhance adaptive capacity. Finally, differentiated governance models are essential: Vietnam's diverse urban system requires reform designs tailored to the functions, capacities and risk profiles of individual cities.

This study is subject to several limitations. It relies primarily on secondary data and official documents, which may emphasize policy intent more strongly than implementation realities. Thu Duc City is a recently established institution, limiting the availability of longitudinal evidence and performance evaluation. The qualitative design does not incorporate primary interviews, which could provide insights into internal decision-making, bureaucratic incentives and informal governance practices. Additionally, while the analytical framework offers a comprehensive lens, it cannot fully account for local political dynamics or interdepartmental negotiation processes.

Future research should deepen empirical inquiry into Vietnam's governance reforms through multi-city comparative case studies, assessing variations in implementation capacity, digital readiness and decentralization outcomes across cities such as Hanoi, Da Nang, Hai Phong and Can Tho. Longitudinal studies of Thu Duc City would enable evaluation of governance performance over time, particularly in relation to fiscal management, digital infrastructure integration and resilience outcomes. Survey-based research could examine citizen perceptions, trust in local institutions and the effectiveness of participatory mechanisms. Finally, developing measurable indicators for lean, smart and sustainable governance in the Vietnamese context would enhance monitoring and provide a foundation for evidence-based policy adjustment.

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