

## THE TERRITORIAL STRUCTURE AND THE TERRITORIAL POLICY IN VIETNAM IN THE 21ST CENTURY

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### **Abstract**

The paper aims to identify the characteristics of Vietnam's territorial structure including regional development trends, national development progress, and local development challenges. Then, it will exploit the territorial policy of the nation including the trajectory of territorial policy since the 1980s and the enforcement of these policies under local governments. It not only contributes a holistic perception on territorial structure but also supplies a historical review on regional development policy since Doimoi in Vietnam.

***Kulcsszavak:*** territorial structure, regional policy, Vietnam

***JEL besorolás:*** R58

***LCC:*** HX, JS, JQ

### **Introduction**

Vietnam is known as one of the latest territorial-unified nations of the 20th century, leaving its mark on modern international history. With a population of 95 million in 2016, its HDI is about 0.683, the life expectancy 75.6 years old and TFR is 2.1 births/woman. Vietnam is a reasonably diverse country with 85.7% is the Kinh people. Vietnamese is the national language.

The Vietnamese civilization was formed quite early from the 10th century AD with the establishment of Dai Viet (Doan, 2012, 2014), there are some documents that were created before the kingdom of Van Lang, Au Lac (Trinh, 2013). Vietnam is unified like today's shape since 1802 in the Nguyen Dynasty. From this point of view, Vietnam has experienced the three most typical regimes in Vietnam's history: feudalism, semi-colonialism and socialism.

In the context of active globalization since the fall of the Soviet Union, Vietnam selected the socialist-oriented market economy as the model of development, continued to hold Marxism-Leninism ideology to ensure political stability throughout the territory. Doimoi<sup>1</sup> initiated since 1986, detailing by Resolution 10/1988, Vietnam has many achievements in modern history including rapid economic growth, early poverty eradication, improvement of human development index, etc. (D. D. Le, 2009). Southeast Asia is the fastest growing region of the world the share of which in the world's GDP was 1% only in 1960, while by 1993 it reached 25% (Neszmélyi, 1996) and even in the recent decade the growth has further accelerated. Vietnam has become an active member of ASEAN and many other international organizations, like APEC, WTO, etc.

The territory of Vietnam has experienced many changes since the unification of its land in 1975. Fundamentally, there has been sweep change of Vietnamese area since Doimoi. Politically,

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<sup>1</sup> Doimoi is the term describing the radical economic transformation in Vietnam that started from 1986.

Vietnam has tried to transform its territory in orientation with modernization and industrialization with impressive achievements in poverty reduction and economic growth.

Despite after 30 years passed since Doimoi Vietnam has still faced many development challenges including unfinished market economy, low competitiveness in the context of the fast-moving global economy. Low income, ineffective government, slow political reforms, and unequal development between regions (D. D. Le, 2009).

Any development option cannot be outside of natural law. Vietnam was prosperous in the early years of economic reform with focusing on agriculture, because Vietnam had many advantages regarding nature, human and territory. The value of the three main agricultural crops (rice, coffee and corn) is nearly USD 27 billion every year and it is increasing year by year (Kozár and Neszmélyi 2017). The article is to explore Vietnam's territorial structure, territorial policy review since 2000 and some directions and solutions for Vietnam in the next phase.

### **The territorial structure: its orientation, progress, and challenges**

Vietnam is a small country (about 325 thousand km<sup>2</sup>) with geographical diversity. Vietnam's territory can be divided into six to eight regions with very different natural features, geography, and climate. The total population about 95 million people live together in the S-shaped territory. It includes 53 ethnic groups live together in harmony with the Kinh people who accounted for 85.7% in total. Most ethnic groups use their language, but only 24 ethnic groups have their writing. Throughout history, the Vietnamese economy is based on agricultural production.

Thanks to favorable natural conditions and fertile land, Vietnam has gained great success in the process of development from agriculture, rural areas and farmers. Until the 90s of the last century, Vietnam completely escaped from poverty thanks to the policy of agricultural reform or Doimoi. The excellent plan recorded in many documents has made Vietnam become a middle-income country. Vietnamese people no longer worry about the food shortage and the standard of living has been enhanced. The high growth wave in population as a result of agricultural achievements has created a golden opportunity for Vietnam's economic development. With an average working age of 27, Vietnam is expected to continue to proliferate and has many opportunities to develop over the next decade (Dang, 2011).

### ***The driver of territorial structural changes***

During the process of industrialization and modernization of the country, Vietnam is moving its territory in three main directions. First, Vietnam has tried to shift its economy with high agriculture rates to the savings with high industrial and service standards. Second, territorial progress is directed towards the development of urban territory separated from rural development. Third, the fragmented local structure ensures political security

Throughout the years of industrialization and modernization, all localities have been intensely aware of the shift from agricultural production to industrial production and mass production. It put a question on the success of economic restructure from agricultural-concentrated economy to industrial-focused one is the level of output. The territorial transformation has been associated with the financial restructuring of the national economy. In the process of economic restructuring (increasing the proportion of service industries - high productivity sectors reducing the portion of agriculture - areas with lower labor productivity), the territorial structure was also shifted powerfully due to the high wave of foreign direct investment (FDI), the support from the policies of the Central Party of Vietnam and its government. At the beginning period,

FDI only concentrated in big cities with favorable infrastructural development conditions such as the Red River Delta region, Eastern Region (T. T. A. Nguyen, 2013). During this period, FDI has also been concentrated on the exploitation and import substitution industries. In the latter stage, along with the policy of developing industrial parks and hi-tech export processing zones, thanks to the policies of decentralization to localities, FDI capital has been attracted by many locations where has more difficult infrastructural conditions, In the latter stage, FDI flows are tending to focus on export-oriented industries. By 10/2013, the processing and manufacturing industry accounted for 53.03% of projects and 53.16% of total registered capital (T. T. A. Nguyen, 2013).

### ***The territorial progress establishing urban and rural areas***

As a legacy from the history of the country, after many attempts to shift the economy towards industrialization and modernization, Vietnam's territory was fundamentally turned towards the urban and rural lands and the economic provinces in the Red River Delta and the South East region.

Urban territory in Vietnam has a bipolar structure with two major metropolitan areas: the Red River Delta and the South East region (Figure 3). Hanoi and Ho Chi Minh city quickly became the two leading urban territory of the country (Ngo, 2016). These are the two cultural and economic centers of the country, occupying about 20 population of the whole country, with the infrastructure, supporting industries and services. From Figure 1.2.3, these are two regions with high population size with high income, the lowest poverty rate in the country; these are also two areas of sizeable agricultural land with high industrial index.

In recent years, the development of Hai Phong, Da Nang and Can Tho have also created critical territorial complexes in the country's development. These cities have tried to become the nation's major cities and regional economic and social centers (D. T. Huynh, 2016; N. Q. Nguyen & Nguyen, 2016). These are also cities that attract a significant amount of investment from the state's budget and a number of other substantial resources in areas such as infrastructure, services, commerce, and tourism.

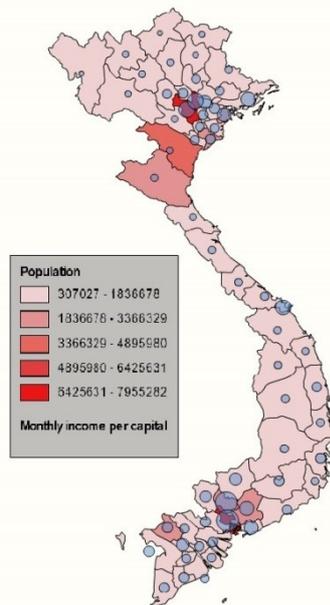
In addition to the five central-leveled cities, because of decentralization policy for localities, each province forms a small urban center. Each small town established as the headquarters of the region has better services than the periphery such as administration, health, education, etc. At first glance, the development of small towns to ensure the development of the territory all over the country. However, the territorial competition among the provinces has lost the synchronization needed for the development of the whole of the region.

Throughout the two decades of the 21st century, along with the active involvement of local land policy, labor market demand, favorable socio-economic conditions such as health, a massive influx of immigrants, the resonance has created in the major urban centers. The change in migration creates excellent variations in territorial development. One prominent feature is the city conurbation, evidenced by the merger of Ha Tay province into Hanoi. The new light industrial belts have been formed around urban areas such as Bac Ninh, Dong Nai etc (K. C. Vo, 2016).

After more than 30 years since Doimoi peripheral area (along with agricultural growth) was "the engine of material wealth that feeds most of the population, creating a large accumulation of economic development, as well as a shield to support for social stability before all fluctuations of the economy" (Dang 2011). The standard of living in rural areas is variable,

most of the peripheral areas have electricity, internet, inter-commune traffic, clean water, health, education but all of them have been still supported at much lower level if compared to urban areas.

Figure 1 shows the population in the Red River Delta and the South East region. These are the two regions with the highest monthly income per capita in the country. Another highlight in the central area is monthly income per capita in Da Nang is the most senior in Annam region.



**Figure 1. The structure of population and monthly income per capita by provinces in 2015.**

*Sources: The author's compilation on the basis of Vietnamese General Statistics Organization, 2015.*

### ***The challenges of territory in Vietnam***

One of the most prominent problems today is the urban-rural disparity. It creates a series of issues. First of all, the characteristic of urbanization in large cities is the overload of infrastructure, services and environmental pollution in big cities such as Hanoi and Ho Chi Minh city. At the same time, the periphery faces many challenges with the development of modern agriculture because of many reasons: most of farm structures are at the household level, the value added per unit of output is low, low income and accumulation of farmers, environmental pollution in rural areas (Pham, 2016).

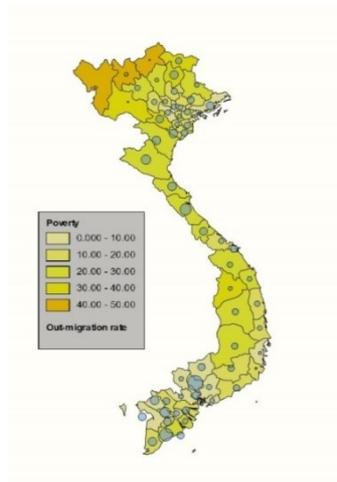
Second, the inter-regional gap has been recognized. Although the central government has made great efforts to improve the economy in the Annam region, the area has remained weak agglomeration for many years and has not produced coordinated resonance in the region. In addition, this area has many problems in sustainable development, migrant farmers, and exploitation of natural resources, destruction of wildlife, ecological imbalance, etc. This area is also suffering from natural disasters such as typhoons and floods. Some localities have known as the severe regions with social exclusion in some places

Thirdly, although Vietnam is in the golden period of its population with abundant human resources, 53 million people are in working age. However, Vietnam still has low-quality human resources in the region (ASEAN), high-level human resources in many fields missing. Annual

economic growth remains broad mainly based on increasing fixed asset size, investment capital, resource exploitation and cheap labor (Dang, 2011). To sum up, the quality level of human resources and its territorial structure are the enormous challenges for Vietnam's development.

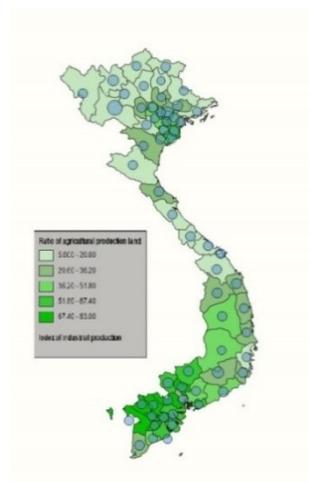
Lastly, facing the new challenges of global climate change, Vietnam is a country strongly influenced by climate change. There are more and more natural calamities with the increasingly devastating effect on Vietnam. Rural areas, underdeveloped areas, coastal areas, are frequently affected by global warming. According to a World Bank report, if sea level rises by 1 meter, Vietnam will lose 5% of its land area, 7% of agricultural land and 28% of wetland. In the worst scenario, rice yields fell about approximately 18% in the Mekong River Delta.

Regional disparities are shown in Figure 2 on rural poverty. The two poorest regions in the country are the Northern Mountains region and the Central Highlands. However, they are the cases with very the lowest migration rates. Figure 2 also shows that the high level of migration is from the provinces with moderate poverty rates, where has more favorably mobility.



**Figure 2. The structure of poverty and out-migration rate by provinces in 2015.**

Sources: The author's compilation on the basis of Vietnamese General Statistics Organization, 2015.



**Figure 3. The structure of the ratio of agricultural production land and index of industrial production by provinces in 2015.**

Sources: The author's compilation on the basis of Vietnamese General Statistics Organization, 2015.

### The territorial policy in Vietnam: trajectory and local management

Hidalgo has developed the theory of monkeys' jumping for empirical analysis of the product development and industrialization of economies in the world. If we visualize the product as a tree and all products as a forest, a country consists of a set of hypothetical businesses that resemble monkeys living in different trees and exploiting these products. The growth process is like moving from the stunted forest to the fresher areas. Traditional growth theories assume that there are always trees within their reach, so the structure of the forest is not important. However, if the forest is not homogeneous, some are crowded, and some are sparsely populated, and if the monkeys are only capable of leaping the limited distances, the product's spatial structure and national development orientation are extremely important (Hidalgo, Klinger, Barabási, & Hausmann, 2007; T. D. Huynh, 2011).

If the above approach is rational, then the territorial structure is a crucial factor for the development of the nation. The rational exploitation of regional resources will be decisive in the development of the country. The more significant recognition of territorial policy is necessary to ensure rapid, efficient and sustainable national development.

#### The trajectory of territorial policy in Vietnam (Figure 4)

<i>Policy territorial approach</i>	Territorial marketization approach	Investment-attraction localization approach	Urban conurbation and rural development approach	Synchronized territorial approach
<i>Orientation framework</i>				
<i>Policies and reforms</i>	Household production responsibility system.  Resolution 10/1988	- The economic territories Industrialization at localities -Support to remote areas  Decision 747/1997 Decision 1018/1997 Decision 10/1998 National goal program 135/1998	-Hanoi conurbation -Building new countryside  Resolution 15/2008 Resolution 26/2008 Direction 800/2010 Direction 899/2013 National goal program 60/2007	- Regionalism, regionalization, new decentralization, and smart city  Congress XII of CPV 2016, Instruction 16/2017
<i>Main territorial development issues</i>	Poverty in the whole country	-Low-income economy -Poverty in mountainous and remote areas	-Urban-rural disparity -Climate change and natural disasters	-Weak resonant agglomeration -Inter-regional and urban-rural disparity -Severe remote areas -Extreme natural disaster
<i>Time</i>	1986-1998	1998-2008	2008-2016	Since 2017

**Figure 4: The territorial policy in Vietnam since 1986.**

*Source: The author's compilation*

*Period 1: Agricultural economic management reform*

The good fortune of Vietnam comes from the start of economic reform, and Doimoi is another name for reforming the agricultural economy, which has given rise to the real impetus of the economy. According to T. T. Vo (2009), Vietnam began to cultivate a radical progress in microeconomics reform including: almost free price, massive devaluation and unification of the exchange rate, increase in interest rate to positive level in real terms, substantial reduction in subsidies to the SOE sector, agricultural reform through household production responsibility system, the removal of domestic trade barriers. Meanwhile, the poverty had existed throughout the country in the 70s and 80s of the 20th century, the reform of the microeconomic management system in agriculture has created a breakthrough in productivity. Vietnam had still been the highest proportion of rural population in the world at the time, the majority of people in rural areas had been farmers. With favorable natural conditions and diverse crop structure, Vietnam has quickly escaped from poverty and reached to become one of the world's leading agricultural exporters (Pham, 2015). The development of agriculture and the mechanism of economic management of farming have entirely changed the face of the countryside. All regions with favorable conditions for agricultural event, such as the Red River Delta and the Mekong Delta, have quickly become the driving force for national development.

The concept of industrialization and modernization of the country continued to be the message conveyed vigorously in the Congress VII (1991) and Congress VIII (1996) of the Central Party of Vietnam (CPV). The economic structure of the region has been shifted in the following directions: promoting the production of commodities linked to the market, agricultural and rural development, restructuring State's enterprises (SOEs), developing regional products with strengths, continuing to harmonize and rationalizing the structure of regions throughout the country. It had been targeted to 2000; the economic structure would have been as follows: agriculture 19-20%, industry 34-35% and services 44-45%.

According to T. T. Vo (2009), there was a wave of investment growth in foreign investment between 1993 and 1997. The country received foreign investment from some 60 countries. The law on foreign direct investment (FDI) promulgated in 1987, and the revised amendment enabled Vietnam to attract a large volume of FDI capital to renew the technology and expand the market. The FDI capital has become an integral part of Vietnam's economy and an essential factor in Vietnam's economic growth during the 1990s.

*Period 2: The new impetus for regional growth*

It had been a further period of change since the Ninth Congress of CPV (2001). The concept of industrialization and modernization is conveyed through new perspectives in the metropolitan and rural areas. In addition, the formation of national economic planning includes six socio-economic regions and three vital industrial regions (Decision 747/1997, etc.). The CPV's view on rural areas has been further improved with the policy of poverty alleviation in the mountainous areas in the Northern mountainous region, the Central Highlands and the Central Coast region. Furthermore, CPC also had encouraged the development of many economic sectors, especially foreign businesses sectors.

The policy of industrialization and modernization of the country in this period is associated with the process of absorbing FDI since 1988. Vietnam is the destination of nearly 15.2 thousand FDI projects (T. T. A. Nguyen, 2013). In 2000, there was a wave of private sector development through the implementation of the new Enterprise Law, and between 2000 and

2004, there were 90,000 private enterprises registered under the new Enterprise Law. FDI in the same period (T. T. Vo, 2009).

Since the Tenth Party Congress (2006), Hanoi has promoted the role of a major economic center of the Tonkin region, building Ho Chi Minh City into a significant commercial and financial center of Cochinchina region. The CPV's document at the Congress also mentioned continuing to promote the role of the central level cities such as Hai Phong, Da Nang, Can Tho, Hue, etc. and to build a strategy for marine economic development in the Annam region.

The localities have taken the initiative and promoted the potentials of the locations, the areas in the Red River Delta and the South East developed actively in infrastructure, health, education and hi-tech service industries. The central coastal provinces quickly bring into full play their strengths in marine economic development such as shipbuilding, tourism. The localities in the Central Highlands and the Mekong River delta develop their forces in the event of hi-tech agriculture. Transport, irrigation, hospital and school infrastructure of all of localities have been invested and built nationwide to ensure people's living. In particular, in rural areas, agricultural technology has been increasingly developed, with an increased production of farm products, basically 90% no longer of the poor and hungry households.

### *Period 3: Restore the agricultural and rural policy*

Facing the wave of global economic crisis from the US and Europe, Vietnam's economy is not only declining in economic growth but also reveals many macroeconomic instabilities such as high inflation, real estate closed state, low purchasing power etc. (Q. B. Le, 2015).

Vietnam is a country with a small economy, and its agriculture becomes the fulcrum for the economy. The period since 2008 recorded the recovery of rural agricultural policy. The starting point for the CPV's Resolution 26/2008 and socio-economic development strategy 2010-2020 on three rural issues is to build new rural areas, to restructure agriculture and increase farmer incomes. This policy continues to be implemented at the central government level: Direction 800/2010 on New Rural Construction 2010-2020, Direction 899/2013 on Agricultural Restructuring and the National Target Program 60/2007 on climate change adaptation (Pham, 2015).

The agricultural and rural development policies that have supported to farmers has been restored since then. A series of procedures promoting agrarian development, new rural development, adaptation and mitigation, and climate change is implemented and has been somewhat useful in reality. The development of this peripheral area is the good consensus of the people and authorities at all levels. Many pilot models have been piloted, such as testing rural district-level people's councils and new cooperative models. However, after ten years of planning and implementation, the effectiveness of the policies was low, not meeting the expectations of the people and authorities at all levels.

Since the XI Congress of the Communist Party of Vietnam (2011), the concept of sustainable development has been first mentioned and has been a goal of regional economic growth, thus creating a link between regions and reducing the disparity between urban and rural areas and further developing the critical industrial regions, building sea strategies and coastal cities.

*Period 4: A new orientation in regional development policy*

Since the XII Congress (2016), CPV unified the approaches to uniform strategic management of overall development of the economy, regional and inter-regional development, decentralization reform, improvement of local responsibility, soon overcoming the state of the economy is divided by administrative boundaries. In addition, CPV guides to building some special economic zones, thus creating polar growth and experimental development of breakthrough development of some provinces such as Hai Phong, Khanh Hoa, Kien Giang.

Over recent years, due to inefficient territorial policy, ineffective public investment, rising social costs, territorial politicization, the regional disparity has become more and more sweepingly. There are more and more barriers between orientation and implementation in local development institution established because of bureaucracy system. Besides, growth motivation based on Vietnam's manual labor productivity tends to decrease rapidly.

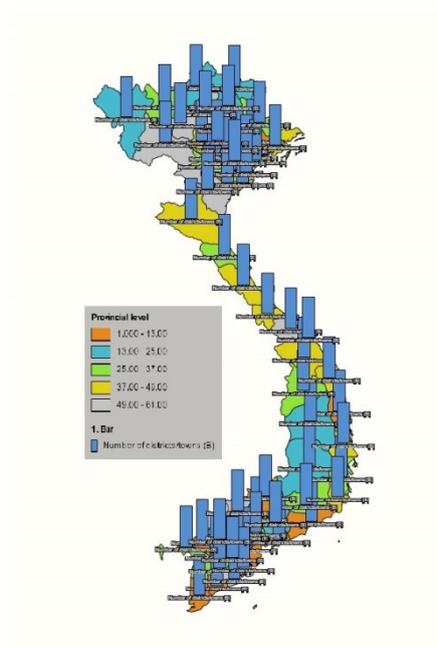
Recently, the role of the territory has become increasingly important. Approaching regionalism and regionalization in the context of globalization is becoming a new trend in the last ten years in most European countries, even in Asian countries like China and Korea. Rodríguez-Pose (2013) believes that one of the essential factors of economic development and growth is institution-building and its dependence on different types of regions. The application of regionalism in Vietnam put a question for scholars and policymakers. However, this is a more contemporary approach to building regional economic institutions or achieving territorial path in a uniform manner.

In recent government debates on the application of technology from the 4.0 industry wave, the government has issued the Instruction 16/2017 on strengthening access to the 4.0 technology revolution (Ho, 2017). The central government assigned some cities to build pilot smart city model, digital agriculture and tourism. It is a new approach to the Vietnamese government, which, if successful, will create breakthroughs in the development of this Southeast Asian nation.

***The local management: territorial structure and development orientation***

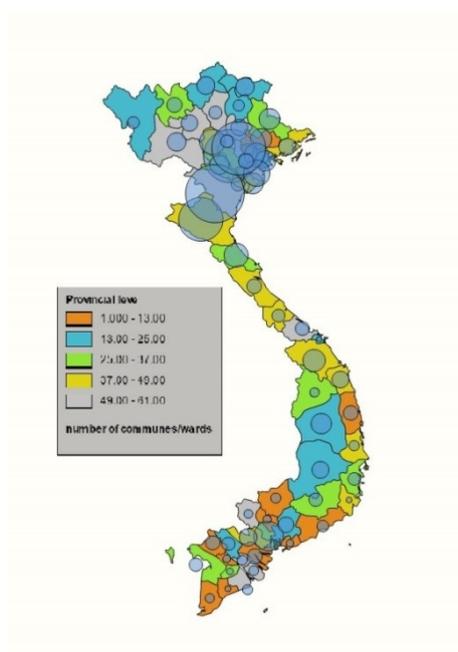
The state management system in Vietnam is structured in three vertically arranged systems, including the party system, the state system and social organizations. However, the Party system and the state system are more closely linked to mass organizations.

The territory is divided into 63 local units. A robust decentralization process took place from the 1990s until the mid-2000s. The formation of 63 localism led to the creation of five key areas: local land planning, investment and natural state management. The structure of state management of territory is shown in Figure 5 and 6.



**Figure 5. The structure of a number of district governments by provinces in 2015.**

*Sources: The author's compilation on the basis of Vietnamese General Statistics Organization, 2015.*



**Figure 6. The structure of a number of communes/wards governments by provinces in 2015.**

*Sources: The author's compilation on the basis of Vietnamese General Statistics Organization, 2015.*

The localism process of the 63 areas creates a significant proactiveness in the localities to mobilize available resources and to orient their development according to the local approach. The formation of 63 localism is also a good foundation for reducing the political risks and even autonomous claims of localities. For localities with geographical advantages such as the peripheral regions of the Red River Delta and the South East, these local governments are rapidly adopting the convergence of the principle of industrialization and modernization

orientation. Local authorities also take the initiative in implementing domestic development tasks such as regional redistribution, public services, resource exploitation, etc. With locations with inadequate resources and place, they are stuck with development issues; projects are often just oriented and depend heavily on the central budget.

Although the structure of national state management has been developing vigorously for many years after the Doimoi, the vertical-dimensioning mechanism of the high-power regime described as a bureaucratic system by Kornai (2008) has been reduced the professionalism of the system. Leaders of localities need to be more loyal to the Party system than their professionalism in implementation of development policies. After many years of operation, the number of civil servants in the localities increased sharply, short-term expenditures of districts increased, local budget income from taxes decreased, no much budget room for investment in infrastructure development as well as public services. It has been a significant issue in many territorial disputes over recent years.

Competition in the achievement of transfer the ratio of sector (from agriculture to industry) has created many implications for local development. Many industrial areas are abandoned, many areas of agricultural land, forest land are destroyed, the process of public investment is ineffective causing many losses and waste. Localities still attach importance to building infrastructure for their locations, not yet creating effective linkages with other areas. Regional planning and coordination have not been strengthened.

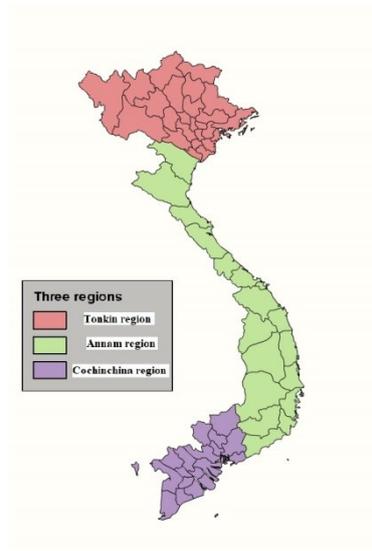
More recently, horizontal dimension coordination is gaining more attention. Workshops such as the Central Economic Co-operation Forum and the Mekong Delta Economic Cooperation Forum have been held annually since 2014. Many scientists and policymakers participated in many proposals to minimize the overlap in regional development plannings, to build local coordination mechanisms.

Regional integration has increased efficiency in the context of new globalization, reduced unhealthy competition from local authorities, increased resonance in regional development activities. However, effective regional coordination mechanisms for Vietnam are being studied by academics and policymakers. It is expected that there should be an efficient regional linkage mechanism among localities to promote local development shortly.

Like most countries with the Napoleonic public administration tradition, the ease of decentralization creates a pathway in policy thinking. Regional linkages as mentioned above will be quickly established in official policies and documents. However, the thought of transforming the territorial structure or the local size format or in other words the rescaling state may need to be thought more seriously and thoroughly in Vietnam. Territorial structure and regional structure management will be an important factor for the development of Vietnam shortly.

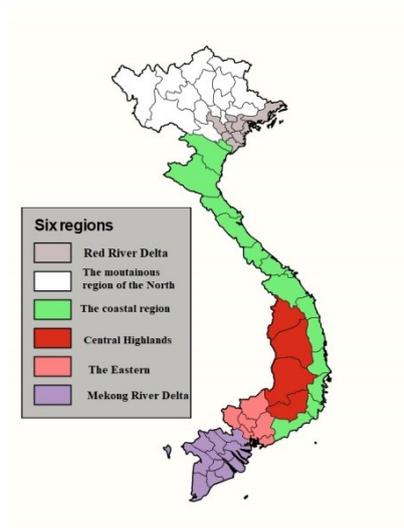
From historical point of view, Vietnam is divided into three regions as Figure 7 during the Nguyen's feudalism and French colonialism. After the unification of Vietnam in 1975, Vietnam was mainly divided into six socio-economic areas, as shown in Figure 8 below. However, the central responsible unit is the provincial level. The 63 localism model, corresponding to the localization of these 63 groups, did not create a linkage, coordinate, and linkage to shape resonances in the region. Although regional development policy has been established since the early 2000s such as Decision 747/1997, Decision 1018/1997, Decision 1/1998, Decision 10/1998 in creation of new local structure. This process not only reduces the effectiveness of regional connectivity regarding infrastructure, transport, services, etc. It also creates some

difficulties in vertical coordination such as too many clues at the local level, public investment spreads, various local costs increase, etc. As shown in Figure 4, regarding administrative structure, the number of organizational units is spread throughout the country at both district and commune levels, especially in the Tonkin region.



**Figure 7. The structure of territory in Vietnam by region in Nguyen feudalism and French colonialism period.**

Sources: The author's compilation on the basis of Vietnamese General Statistics Organization, 2015.



**Figure 8. The structure of territory in Vietnam by region since 1986.**

Sources: The author's compilation on the basis of Vietnamese General Statistics Organization, 2015.

## Conclusion

Basically, after 30 years of Doimoi, Vietnam has formed the structure of regional development, the essential territorial complexes of the land are more or less already and continue to develop as critical resources in the country. Urban urbanization is always the driving force for socio-economic development. Hanoi and Ho Chi Minh city continue to lead the nation in socio-political development. Hai Phong, Da Nang, Can Tho also support the development of the

country's regional structure. Regions play a particular role in the overall development of the nation. Progress in rural areas has always been the development orientation of the socialist model, and in practice, the primary rural territory has rapidly improved.

After more than 30 years of reviewing, the CPV's orientations for regional development are timely and meet the requirements of the domestic and international contexts. Policies have a proper direction, improving the standard of living for the people throughout the country. For each period, territorial systems have received the support of the people and authorities at all levels, and good results in regional development have also been recorded contributing to the overall development of the country.

However, in the implementation process, the structure of territorial governance has not yet met and not created a momentum for robust implementation of the regional development policies in reality. Territorial governance structure also created difficulties for local coordination mechanisms, which did not produce agglomeration at the regional level.

In the next phase, cheap land policy may no longer be appropriate in the context of new developments. Automation and the development of technology have primarily replaced manual labor. If Vietnam continues to exploit cheap labor as an advantage for development, people's labor skills will go down, the quality of population will not be high, income will not be improved, technology is just average. If Vietnam continues to use the jackfruit-shaped model in territorial development, the coordination between localities will be ineffective, public investment in infrastructure continues to cause wastefulness and losses, national resources go to exhaustion.

In the new context of territorial development, Vietnam needs to consider sustainable development. Territorial planning should be seen in a more synchronized way. Territorial reengineering and regional governance restructuring will be a top priority for the development process. Territorial reconstruction or national shifting is an indispensable process for all countries in each stage of development.

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