



## FROM “BREAKING THE FENCE” TO INSTITUTION BUILDING: HO CHI MINH CITY'S PIONEERING ROLE IN POLICY EXPERIMENTATION DURING VIETNAM'S ĐỔI MỚI AND THE DEVELOPMENT OF THE SOCIALIST-ORIENTED MARKET ECONOMY INSTITUTIONS (1986–2026)

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### Abstract:

A substantial body of research has highlighted Ho Chi Minh City's contributions to Vietnam's *Đổi mới* (Renovation) through its remarkable socio-economic achievements. Building upon these studies, this article adopts a comparative institutional perspective and applies the policy experimentation framework to examine Ho Chi Minh City's role as a policy experimentation arena in the development of Vietnam's socialist-oriented market economy institutions. By analyzing the "breaking the fence" movement during the period 1979–1986, various pilot models implemented between 1986 and 2017, together with two landmark legal documents—Resolution No. 54/2017/QH14 and Resolution No. 98/2023/QH15—the article identifies the evolution of policy experimentation from informal to formal arrangements, from fragmented initiatives to a more systematic framework, and from isolated economic experiments to comprehensive urban governance experimentation. Furthermore, the article proposes the concept of "monocentric policy experimentation" as a preliminary analytical framework for explaining the distinctive characteristics of Vietnam's institutional development and offers several policy implications for the continued improvement of national institutions.

**Keywords:** policy experimentation; socialist-oriented market economy institutions; Ho Chi Minh City; Resolution No. 54; Resolution No. 98; breaking the fence

### 1. Introduction

The forty years of *Đổi mới* (1986–2026) have firmly established Ho Chi Minh City as one of Vietnam's largest economic centers, making significant contributions to economic growth, state budget revenues, innovation, and international integration. Beyond these measurable socio-economic achievements, however, another important dimension

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deserves greater scholarly attention: the city's role in shaping and advancing Vietnam's institutional development.

From this perspective, the present study addresses the following question: why and through what mechanisms has Ho Chi Minh City repeatedly emerged as the birthplace or testing ground for new policy initiatives before they were refined and adopted nationwide? Rather than merely examining what contributions the city has made, this article seeks to explain how those contributions have been made through specific institutional mechanisms during the development of Vietnam's socialist-oriented market economy institutions.

To answer this question, the article employs the policy experimentation framework in combination with historical institutional analysis to examine the evolution of experimental governance mechanisms in Ho Chi Minh City. From this perspective, the city can be understood as a policy experimentation arena in which numerous economic and governance mechanisms were first implemented in practice before being evaluated, adjusted, and gradually institutionalized at the national level. This evolutionary process can be traced from the informal *breaking the fence* initiatives of the late 1970s and early 1980s, through various pilot programs implemented during the *Đổi mới* period, and ultimately to the formal institutionalization represented by Resolution No. 54/2017/QH14 and Resolution No. 98/2023/QH15.

Based on this analytical framework, the article examines the transformation of policy experimentation across three successive stages: from informal experimentation to legally authorized experimentation; from isolated initiatives to systematic institutional mechanisms; and from pilot projects concentrated primarily in the economic sphere to broader experimentation with comprehensive urban governance models. In addition, the article introduces the preliminary concept of "monocentric policy experimentation" to characterize Vietnam's distinctive pattern of policy experimentation, in which Ho Chi Minh City has consistently played a leading role throughout multiple stages of national development.

The article is organized into four sections. The first section presents the theoretical framework and research methodology. The second examines the evolution of policy experimentation in Ho Chi Minh City, from the *breaking the fence* period to formal institutionalization. The third analyzes the defining characteristics of this experimentation model and develops the concept of monocentric policy experimentation. Finally, the article offers several policy recommendations that may contribute to the continued refinement of institutional mechanisms and policy frameworks governing Ho Chi Minh City in the new stage of development.

## 2. Theoretical Framework and Research Methodology

The concept of policy experimentation has been systematically developed in the works of Heilmann (2008a, 2008b) on China's economic reform process. According to Heilmann

(2008a), policy experimentation refers to a process in which the central government permits, tolerates, or accepts policy initiatives emerging from local practice, monitors their implementation, and subsequently decides whether to modify, scale up, or institutionalize them at the national level. Heilmann describes this mechanism as "experimentation under hierarchy", distinguishing it from the "laboratories of democracy" model found in federal systems, where subnational governments possess constitutionally guaranteed legislative autonomy to conduct policy experiments.

The two models share a common premise in viewing local governments as arenas for generating national policy innovations. Their fundamental difference, however, lies in the institutional authority governing experimentation. In a unitary state, experimental outcomes become formal institutions only after they are recognized or legalized by the central government. As a unitary state with a unified legal system, Vietnam exhibits important similarities to the model of experimentation under hierarchy. This theoretical perspective provides the analytical foundation for examining Ho Chi Minh City's role in the development of Vietnam's socialist-oriented market economy institutions.

Based on this theoretical framework, the article adopts three criteria for identifying policy experimentation. First, a policy initiative must emerge from practical local needs in areas where no comprehensive legal framework exists or where legal provisions remain limited. Second, the implementation process must be accepted, monitored, or gradually legitimized by the central government rather than being immediately terminated. Third, the outcomes of the experiment must subsequently serve as reference points for the formulation or refinement of national laws and public policies. Only when all three criteria are simultaneously satisfied can a local initiative be regarded as policy experimentation in the full analytical sense of the concept.

Methodologically, this study employs historical institutional analysis, combined with legal document analysis, to examine the evolution of policy experimentation across different historical periods. The principal sources include studies on Vietnam's economic history—particularly Dang Phong's (2017) pioneering research on the *breaking the fence* movement before *Đổi mới*—together with legal documents, especially Resolution No. 54/2017/QH14 and Resolution No. 98/2023/QH15, as well as official reports and government publications. Combining historical evidence with contemporary legal documents makes it possible to analyze the development of policy experimentation as a continuous institutional process rather than as a series of isolated historical events.

Building upon this theoretical and methodological framework, the article examines the evolution of policy experimentation in Ho Chi Minh City, tracing its development from the informal *breaking the fence* initiatives before *Đổi mới* to the institutionalization of special policy mechanisms during the reform era.

### 3. Research Findings

#### 3.1. From "Breaking the Fence" to Institution Building: Three Transformations in Ho Chi Minh City's Policy Experimentation Model

##### 3.1.1 1979–1986: "Breaking the Fence" as Informal Policy Experimentation During a Period of Crisis

The origins of Ho Chi Minh City's policy experimentation model did not begin in 1986 but can instead be traced to the socio-economic crisis of the late 1970s. During this period, the city confronted two urgent challenges simultaneously: securing food supplies for millions of residents and ensuring raw materials for state-owned enterprises (Phap Luat Ho Chi Minh City, 2026). Under the centrally planned economic system, the allocation of production inputs, price setting, and product distribution were all subject to state planning. As the official distribution system became increasingly incapable of meeting production needs, several state-owned enterprises in the city began adopting more flexible approaches that departed from existing regulations in order to sustain production.

The Thanh Cong, Phong Phu, and Thang Loi textile enterprises are among the most frequently cited examples in studies of Vietnam's economic history. These enterprises independently procured raw materials, negotiated purchase prices directly with farmers and suppliers outside the state distribution system, and exercised greater autonomy over product sales. Such practices exceeded the boundaries of the centrally planned management system, yet under the extraordinary circumstances of the economic crisis they helped maintain production and preserve employment. Drawing upon extensive archival materials, Dang Phong (2017) characterizes this phenomenon as "*phá rào*" (breaking the fence), a term widely used alongside *xé rào* by both scholars and the media to describe the same phenomenon.

From a theoretical perspective, the significance of these *breaking the fence* initiatives lies in the fact that they originated primarily from the practical operational needs of grassroots economic units rather than from explicit authorization by the central government. Contemporary sources indicate that municipal leaders—including Party Secretary Nguyen Van Linh and later Vo Van Kiet in senior economic leadership positions—paid close attention to these local practices, systematically summarized their experiences, and submitted policy recommendations to the central authorities (Politics and Development, 2024). This process may be understood as an early manifestation of the two-way policy feedback mechanism described in the theory of experimentation under hierarchy: local practice evolved first, local leaders served as intermediaries who synthesized and communicated these experiences, while the central government observed, evaluated, and ultimately determined whether policy adjustments were warranted.

The outcomes of this feedback process became evident in major central policy decisions adopted immediately before the Sixth National Party Congress. The Sixth

Plenum of the Fourth Party Central Committee (1979) introduced a partial relaxation of production controls through the policy of *bung ra* ("loosening constraints"), and the Sixth National Congress of the Communist Party of Vietnam (1986) formally launched the comprehensive *Đổi mới* reform program. In other words, many of the policy principles that were institutionalized nationally in 1986 had already undergone nearly a decade of practical experimentation. During this formative period, Ho Chi Minh City—with its distinctive commercial, industrial, and non-agricultural economic structure inherited from the pre-1975 period—served as the country's most concentrated and dynamic arena for policy experimentation (Nguoi Lao Dong, 2026). This unique socio-economic structure caused the contradictions between central planning and economic reality to emerge earlier and more visibly than elsewhere, thereby generating a natural impetus for experimentation without requiring an explicit administrative mandate from above.

### **3.1.2 1986–2017: Continued Experimentation Through Fragmented Initiatives Without a Stable Legal Framework**

Following the formal adoption of the *Đổi mới* policy, one might have expected informal experimentation to be replaced by a clearly institutionalized policy process. In practice, however, Ho Chi Minh City continued to play a pioneering role in policy innovation over the next three decades, primarily through individually authorized pilot initiatives rather than within a comprehensive legal framework governing experimentation.

Representative examples include the establishment of the Tan Thuan Export Processing Zone—the country's first export processing zone—as an experimental platform for attracting foreign direct investment outside the conventional domestic economic system; pilot equitization programs for state-owned enterprises prior to the nationwide legalization and expansion of privatization reforms; the establishment of the Ho Chi Minh City Securities Trading Center in 2000 as Vietnam's first capital market institution; and the implementation of the "land-for-infrastructure" model in the Phu My Hung urban development project, which created an important practical precedent for subsequent public-private partnership arrangements in urban infrastructure development (Phap Luat Ho Chi Minh City, 2026).

A common feature of these pilot initiatives was that each was authorized through separate administrative decisions applicable only to individual projects or specific policy sectors. No high-level legal instrument established a general framework empowering local authorities to conduct policy experimentation in a systematic manner. Consequently, these initiatives operated under prolonged legal uncertainty. Each experiment had to identify its own legal basis and frequently found itself operating ahead of existing legislation. Their implementation depended largely on the political support of incumbent leaders rather than on a stable institutional mechanism. This institutional limitation represented the inherent weakness of the fragmented experimentation model and ultimately created practical pressure for formally institutionalizing Ho Chi Minh City's authority to conduct policy experimentation through a transparent and stable legal

framework—a demand that was not addressed until the adoption of Resolution No. 54/2017/QH14 in 2017.

### **3.1.3 Resolution No. 54/2017/QH14: Institutionalizing the Right to Experiment Through a Legitimate Legal Framework**

Resolution No. 54/2017/QH14 marked the first major institutional turning point. For the first time, the National Assembly enacted a dedicated legal instrument granting Ho Chi Minh City the authority to pilot a broad and systematic range of special policies and institutional mechanisms, replacing the previous practice of approving individual initiatives on a case-by-case basis. The Resolution authorized 18 pilot mechanisms across five policy domains: land administration, investment management, public finance and budgeting, decentralization and delegation of authority, and personnel policies for public officials and civil servants (Luật Viet Nam, 2017).

After more than four years of implementation, Resolution No. 54 produced several observable outcomes. The additional income policy for civil servants contributed to improved administrative performance; the implementation of several major infrastructure projects and urban planning initiatives accelerated; and the introduction of hourly parking fees helped improve traffic management in the city center (VnExpress, 2021). Nevertheless, the official implementation review also identified important limitations. Several special fiscal and budgetary mechanisms that had been expected to generate breakthrough investment resources were not fully implemented, preventing the city from mobilizing the level of infrastructure investment originally envisioned (Legislature, 2022).

From a theoretical perspective, these limitations reflect the transitional character of Resolution No. 54 in the broader process of institutionalizing policy experimentation. The Resolution represented a shift from informal *breaking the fence* initiatives to legally authorized policy experimentation, yet experimental authority continued to be granted through a centrally controlled system of approval for specific policy areas. It did not provide local authorities with genuine institutional autonomy to initiate experimentation independently. In other words, Resolution No. 54 legitimized policy experimentation from a legal standpoint but did not resolve the fundamental issue of providing sufficient fiscal autonomy to support those experiments. This institutional limitation became one of the principal motivations for the adoption of Resolution No. 98/2023/QH15.

### **3.1.4 Resolution No. 98/2023/QH15: Expanding Policy Experimentation Toward the Restructuring of Urban Governance Institutions**

Resolution No. 98/2023/QH15 significantly broadened both the scope and depth of policy experimentation compared with Resolution No. 54. It encompasses six major policy domains: investment management (including pilot transit-oriented development (TOD), the application of build–operate–transfer (BOT) contracts to existing road infrastructure, and build–transfer (BT) contracts financed through the state budget); public finance and

budgeting (authorizing the city to introduce new fees and charges, retain 100 percent of additional revenue generated from these measures, and increase its borrowing ceiling to up to 120 percent of decentralized budget revenues); urban management and natural resources (including authority to convert less than 500 hectares of rice land to alternative uses and adjust building density around transport hubs and railway stations); science, technology, and innovation (including five-year corporate income tax exemptions for innovative start-up enterprises and personal income tax exemptions for scientists and experts); administrative organization (including the establishment of the Department of Food Safety and expanded deputy leadership positions in densely populated administrative units); and special incentive mechanisms for strategic investors in high technology, research and development, and international port infrastructure (Government of Vietnam, 2023).

A quantitative indicator clearly illustrates the difference in both scale and implementation speed between the two resolutions. According to official assessments, one year of implementing Resolution No. 98 generated a volume of pilot policies equivalent to that produced during five years under Resolution No. 54 (Construction Journal, 2024). This comparison provides empirical support for the argument that policy experimentation in Ho Chi Minh City has accelerated substantially, not only in scale but also in institutional complexity.

The evolving nature of Resolution No. 98 is further demonstrated by subsequent legislative developments. Following the Government's submission of amendments to the National Assembly in late 2025—driven primarily by the city's urgent investment financing needs, estimated at USD 8–12 billion annually, while existing budgetary resources could satisfy only approximately 30 percent of that demand (Government News, 2025b)—the National Assembly adopted Resolution No. 260/2025/QH15 on 11 December 2025, amending and supplementing several provisions of Resolution No. 98. The amendments took effect on 12 December 2025 (National Assembly, 2025).

The most significant amendment introduced Article 7a, establishing the legal framework for the Ho Chi Minh City Free Trade Zone, comprising production, port, logistics, and commercial-service functional areas. The amendment also authorized the City People's Committee to establish, expand, and adjust the boundaries of the Free Trade Zone without requiring separate approval from the central government for each individual case. Accompanying this institutional innovation were several unprecedented legal mechanisms within Vietnam's existing legal framework. These include exemptions from land-use rights auctions and competitive bidding for infrastructure projects within the zone (except commercial housing), expanded customs authority for district-level customs offices in recognizing eligible enterprises and implementing special customs procedures, permission for foreign investors to establish economic organizations without first obtaining an investment project approval, together with preferential policies concerning taxation, land use, and streamlined administrative procedures (Luật Viet Nam, 2025; National Assembly, 2025).

The Resolution further expanded the list of sectors eligible for strategic investment incentives and introduced a new planning mechanism under which Ho Chi Minh City prepares a single comprehensive master plan, replacing the previous system of separate provincial and general urban plans through a simplified amendment procedure.

Within the analytical framework adopted in this article, the rapid legalization of these mechanisms—less than one year after they were initially proposed—demonstrates the emergence of a new cycle of policy experimentation within Resolution No. 98 itself. Indeed, Resolution No. 98 is currently undergoing the same sequence of experimentation, observation, and institutional adjustment identified in earlier stages of Vietnam's institutional evolution. This suggests that policy experimentation in Ho Chi Minh City should not be understood as a one-time event completed with the adoption of Resolution No. 98 in 2023, but rather as a continuous process of institutional learning and adaptation that remains ongoing at the time of this study.

From an institutional perspective, Resolution No. 98 represents a qualitative transformation, rather than merely a quantitative expansion, compared with Resolution No. 54. Whereas earlier experiments—from the *breaking the fence* period through Resolution No. 54—primarily sought to expand the operational space available to economic actors and local government within the existing institutional framework, the mechanisms introduced under Resolution No. 98—particularly those concerning administrative organization, science and technology, and land value capture-based urban development—extend to the redesign of the city's governance architecture itself. Accordingly, the focus of policy experimentation has shifted from improving governance within the existing institutional framework to testing an alternative institutional framework, marking a significant qualitative advance in the ongoing development of Vietnam's socialist-oriented market economy institutions.

### **3.2 From Isolated Experiments to an Institutional Model: The "Monocentric Policy Experimentation" Pattern in Ho Chi Minh City**

Examining the case of Ho Chi Minh City through Heilmann's (2008a, 2008b) framework of policy experimentation provides an opportunity to identify a distinctive institutional pattern that this article seeks to conceptualize. In Heilmann's analysis of China, policy experimentation occurs simultaneously across multiple localities that compete with one another. Different provinces and municipalities test alternative policy solutions to the same governance problem, creating a process of comparative competition among jurisdictions. This enables the central government to evaluate multiple experimental models before selecting those suitable for nationwide adoption.

Vietnam—and particularly the case of Ho Chi Minh City—follows a different institutional logic. Owing to its economic scale and strategic position within the national economy, together with its long-standing status as the country's largest contributor to the state budget (Government News, 2025a), no other locality possesses comparable economic capacity and institutional capability to generate a genuinely equivalent basis



for policy competition. Consequently, most major institutional experiments related to Vietnam's socialist-oriented market economy have tended to concentrate in a single administrative center rather than being distributed across multiple competing localities, as observed in the Chinese model. This article proposes the term "monocentric policy experimentation" to describe this distinctive pattern—a variant of experimentation under hierarchy in which the role of the primary policy laboratory is concentrated in a single administrative entity with exceptional economic significance rather than shared among multiple jurisdictions of comparable capacity.

Compared with a decentralized and competitive experimentation model, monocentric policy experimentation offers several notable advantages. First, decision-making can proceed more rapidly because it does not require coordination among multiple local governments. Second, it facilitates greater institutional continuity by allowing administrative experience to accumulate within the same locality across successive stages of reform—from the *breaking the fence* period, through Resolution No. 54, and subsequently Resolution No. 98. Third, the city's existing economic scale enables the mobilization of substantial financial, administrative, and human resources to support large-scale policy experimentation.

Nevertheless, this institutional model also presents several issues that warrant continued scholarly and policy attention. The first concerns the risk of representativeness. Policy outcomes generated in a metropolis with highly distinctive socio-economic characteristics—including its commercial legacy prior to 1975, exceptionally large population, and advanced level of urbanization—may not accurately reflect the conditions prevailing in other provinces. As a result, policies that prove successful in Ho Chi Minh City may encounter significant challenges when expanded nationwide.

The second concern relates to institutional dependence. When the nation's capacity for experimenting with market-oriented institutional reforms is concentrated in a single locality, the broader institutional system becomes increasingly dependent on the governance capacity and stability of that locality. At the same time, the absence of parallel experimental sites limits opportunities for independent comparison and validation before experimental policies are incorporated into national legislation.

The third concern is the risk of "permanent experimentation." In the absence of clearly defined procedures and criteria specifying when pilot mechanisms should transition into permanent legislation, experimental policies may remain in a prolonged pilot phase across successive legislative terms. The extension of Resolution No. 54 for an additional year before its replacement by Resolution No. 98 illustrates this institutional tendency (Nguoi Lao Dong, 2022).

Identifying these three institutional risks is not intended to diminish the significance of the monocentric policy experimentation model. Rather, it underscores that this model possesses both strengths and inherent limitations and therefore requires deliberate institutional governance rather than being allowed to evolve solely through

historical inertia. This assessment also provides the theoretical foundation for the institutional recommendations presented in the following section.

### **3.3. Institutional Recommendations for Refining Resolution No. 98 (as Amended) and Implementing Resolution No. 09-NQ/TW**

Building upon the analytical framework of monocentric policy experimentation and the three institutional risks identified in Section 3.2, this article proposes several institutional recommendations that may inform both the refinement of Resolution No. 98—as amended through Resolution No. 260/2025/QH15, adopted by the National Assembly on 11 December 2025 and effective from 12 December 2025 (National Assembly, 2025)—and the implementation of Resolution No. 09-NQ/TW, issued by the Politburo on 19 May 2026 on the development of Ho Chi Minh City in a new era, which currently serves as the country's most important strategic document guiding the city's future development.

Compared with the original Resolution No. 98/2023/QH15, Resolution No. 260/2025/QH15 introduces several significant institutional innovations. Most notably, it adds Article 7a, establishing the Ho Chi Minh City Free Trade Zone as a dedicated institutional space for piloting breakthrough mechanisms designed to attract high-quality investment, finance, trade, and advanced services. The Resolution also expands the list of priority sectors eligible for strategic investment incentives and reforms the planning system by introducing a single integrated master plan (National Assembly, 2025; Luật Viet Nam, 2025). From the perspective adopted in this article, the establishment of the Free Trade Zone—with its distinctive governance arrangements and preferential policies—represents a further extension of the monocentric policy experimentation model, as experimentation remains concentrated within a single locality rather than evolving toward a comparative multi-locality model, as recommended later in this section. Consequently, the remaining three institutional recommendations proposed below—establishing a clearly defined policy exit mechanism, introducing controlled comparative experimentation across multiple localities, and institutionalizing policy feedback as a permanent governance capacity—remain highly relevant to the continued refinement of Resolution No. 98 (as amended).

Particularly noteworthy is Resolution No. 09-NQ/TW, which sets ambitious development targets for Ho Chi Minh City, including maintaining an average annual GRDP growth rate of at least 10 percent during the period 2026–2045, raising per capita GRDP to approximately USD 14,000 by 2030 and USD 75,000 by 2045, and, importantly, calling for the development of a dedicated legal framework for special metropolitan areas—tentatively referred to as the Law on Special Metropolitan Areas—featuring breakthrough governance mechanisms and controlled policy experimentation (Government News, 2026). Within the analytical framework developed in this article, this proposal closely aligns with the fourth institutional recommendation presented below: moving beyond temporary pilot resolutions toward a stable legal framework for decentralization applicable to strategically important metropolitan areas. This

convergence suggests that the theoretical analysis advanced in this article not only interprets historical developments but also provides analytical support for current policy directions.

First, a clearly defined policy exit mechanism should be established. At present, special institutional mechanisms are introduced through pilot resolutions with fixed durations but without objective evaluation criteria specifying when a pilot has generated sufficient evidence to warrant incorporation into permanent legislation. Developing a policy maturity framework, including indicators of economic effectiveness, institutional stability, and compatibility with the existing legal system, would make it possible to distinguish between mechanisms that require further experimentation, those ready for nationwide institutionalization, and those that should be revised or discontinued.

Second, a controlled comparative experimentation mechanism should be introduced to address the limitations of the monocentric model. Several key innovations under Resolution No. 98—particularly those relating to transit-oriented urban development, administrative organization, and science and technology incentives—could be implemented simultaneously in two or three metropolitan areas with reasonably comparable characteristics, such as Hanoi, Da Nang, or Can Tho, rather than exclusively in Ho Chi Minh City. Comparative evidence generated across multiple localities would make it possible to distinguish between outcomes attributable to Ho Chi Minh City's unique characteristics and those that can be generalized to urban governance more broadly, thereby reducing the risk of inappropriate nationwide policy diffusion.

Third, the policy feedback mechanism between local and central governments should be institutionalized as a permanent governance process independent of the life cycle of individual pilot resolutions. Throughout the evolution of policy experimentation in Ho Chi Minh City—from the *breaking the fence* period to Resolution No. 54 and Resolution No. 98—policy feedback has largely depended upon the initiative of local leaders in submitting proposals and the willingness of central authorities to respond at particular moments. Vietnam currently lacks a stable institutional mechanism responsible for continuously monitoring, evaluating, and synthesizing lessons derived from policy experimentation. Establishing a specialized inter-agency body responsible for independently assessing the implementation of special institutional mechanisms and reporting regularly to both the Ho Chi Minh City People's Council and the National Assembly would transform policy feedback from an ad hoc political process into a sustainable institutional capability.

Fourth, broader reforms to Vietnam's legal framework governing decentralization between the central and local governments should be considered, rather than continuing to rely on separate pilot resolutions for individual metropolitan areas. The experience of Ho Chi Minh City suggests that the current model of locality-specific pilot resolutions—also applied, to varying degrees, in Hanoi, Da Nang, Hai Phong, and Can Tho—risks creating a fragmented legal system in which each locality operates under different institutional arrangements without a coherent national framework for decentralization.

Over the longer term, the National Assembly should consider enacting a framework law on decentralization for special metropolitan governments, clearly defining the policy areas in which major urban authorities may exercise autonomous decision-making within the broader national fiscal and institutional framework, while distinguishing these from areas that continue to require central approval for experimentation. Under such an institutional arrangement, resolutions such as Resolution No. 98 would no longer function as temporary exceptions but rather as transitional instruments facilitating the development of a stable and coherent decentralization framework for Vietnam's leading metropolitan regions.

#### 4. Conclusion

This article has sought to advance the argument that, beyond the economic growth indicators commonly used to evaluate Vietnam's *Đổi mới* process, Ho Chi Minh City's contribution over the past forty years can also be understood through its institutional function as a continuous policy experimentation arena, where market-oriented institutional arrangements have been tested in practice before being incorporated into national legislation. This process originated with the informal *breaking the fence* movement during the socio-economic crisis of the late 1970s, continued through fragmented pilot initiatives lacking a stable legal framework during the first three decades of *Đổi mới*, and eventually evolved into a formal and systematic legal process through Resolution No. 54/2017/QH14 and Resolution No. 98/2023/QH15.

By examining Ho Chi Minh City's experience through the theoretical framework of experimentation under hierarchy, while highlighting its differences from the decentralized competitive experimentation observed in China, this article proposes the preliminary concept of monocentric policy experimentation. This concept may provide a useful analytical perspective for understanding similar institutional trajectories in other unitary states characterized by a single dominant economic center.

Building upon this theoretical framework, the article advances four institutional recommendations: establishing a clearly defined policy exit mechanism; developing controlled comparative experimentation across multiple localities; institutionalizing policy feedback as a permanent governance capability; and gradually replacing isolated pilot resolutions with a stable legal framework for decentralization applicable to nationally significant metropolitan areas. These recommendations are intended to contribute directly to the continued refinement of the special institutional mechanisms established under Resolution No. 98, as amended by Resolution No. 260/2025/QH15, and to support the implementation of Resolution No. 09-NQ/TW during the next phase of Ho Chi Minh City's development. If implemented, these recommendations would facilitate the transformation of Ho Chi Minh City's policy experimentation model from a historically evolved and partly spontaneous practice into a deliberately governed

institutional capability, thereby strengthening the city's capacity to continue serving as a national pioneer in institutional innovation.

Finally, the analytical framework of monocentric policy experimentation presented in this article should be regarded as a preliminary conceptual proposition derived from a single case study. Its broader applicability therefore requires further empirical validation. Several developing countries with unitary state structures and similarly dominant metropolitan centers—for example, Jakarta in Indonesia and Manila in the Philippines—provide promising comparative cases for future research. As noted in the discussion of the study's limitations, subsequent research could undertake systematic comparative analyses of these cases while incorporating quantitative assessments of the economic impacts generated by specific policy experiments. Such research would contribute to testing, refining, and extending the theoretical framework that this article has only begun to develop.

### Conflict of Interest Statement

The author declares no conflicts of interest.

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