

Public Employment Reform, Budget Efficiency, and Governance Quality: a Panel-data Analysis from Viet Nam's Civil Service Transformation

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Abstract: This research examines the role of public employment reform in improving budget efficiency and governance quality in Viet Nam during 2015 - 2023, the available empirical period corresponding to the implementation of civil service reform under the Politburo's Resolution No. 39-NQ/TW dated April 17, 2015, on downsizing and restructuring of cadres, civil servants and public employees. Drawing on New Public Management (NPM) and comparative public administration reform literature, the study uses a balanced provincial panel dataset covering 63 provincial-level administrative units over nine years, yielding 567 province-year observations. The analysis estimates Pooled OLS, Fixed Effects (FE), and Random Effects (RE) models and applies the Hausman specification test to identify the preferred panel-data estimator. The findings indicate that staff reduction is positively associated with budget efficiency and governance quality. At the same time, digital transformation is directly related to better governance outcomes and strengthens the relationship between downsizing and governance quality. Training investment has a modest positive association with governance performance. In contrast, the wage reform index is not consistently significant, suggesting that wage reform has not yet been sufficiently linked to performance-based incentives. The study concludes that public employment reform can generate meaningful gains in state performance when integrated with digital transformation, professional capacity-building, and institutional accountability. The Vietnamese case offers useful lessons for developing countries seeking to modernize public administration under fiscal and institutional constraints.

Keywords: *Public employment reform; budget efficiency; governance quality; civil service downsizing; digital transformation; Viet Nam; New Public Management; panel-data regression.*

JEL Classification: H83; J45; C23.

1. Introduction

In recent decades, public sector reform has become a critical response to budget pressures, transparency demands, and the need to improve governance efficiency. Many

countries have adopted reform models inspired by New Public Management (NPM), which emphasizes slimmer bureaucratic structures, performance-based human resource policies, and citizen-oriented public service delivery (Pollitt & Bouckaert, 2017). Public sector

reforms generally aim to improve government performance, reduce administrative costs, and strengthen accountability (Hood, 1991; Christensen & Lægreid, 2007).

In Viet Nam, the demand for restructuring the public sector has become urgent due to increasing pressure on the state budget, rising demands for good governance, and the government's commitment to fighting corruption and improving administrative efficiency. A significant landmark in this process was the issuance of Resolution No. 39-NQ/TW by the Central Committee of the Communist Party of Viet Nam in 2015. The Resolution established the direction of a more merit-based, efficient, and accountable civil service by promoting downsizing, restructuring, and quality improvement in public employment (Pham, 2018).

These reforms pursue two interrelated goals: budget efficiency and governance quality. Budget efficiency refers to the state's ability to optimize fiscal resources by reducing redundant staffing, minimizing overlapping mandates, and reallocating funds to development priorities (World Bank, 2019). Governance quality, by contrast, reflects transparency, responsiveness, accountability, and effective public service delivery (Kaufmann et al., 2011). Together, these dimensions provide useful indicators of whether public employment reform contributes to sustainable public sector performance.

Although Viet Nam has made substantial policy efforts in civil service reform, empirical evidence on its actual performance effects remains limited. Few studies have examined whether and how public workforce restructuring has contributed to measurable improvements in fiscal performance and governance quality. This study addresses this

gap by examining the relationship between public employment reform, budget efficiency, and governance quality using provincial panel data from Viet Nam. Unlike earlier versions of the analysis that relied on cross-sectional multivariate regression, the revised study explicitly models the dataset as a balanced panel of 63 provincial-level administrative units observed from 2015 to 2023.

2. Literature review

2.1. New Public Management and the transformation of public governance

Since its emergence in the late twentieth century, New Public Management (NPM) has become a major model of public administration reform in both developing and advanced economies. It responds to perceived dysfunctions of traditional bureaucratic administration by emphasizing managerialism, market-based governance, performance measurement, and efficiency (Hood, 1991; Dunleavy & Hood, 1994). NPM seeks to reconfigure public organizations so that they operate with clearer targets, stronger accountability, and greater responsiveness to citizens (Osborne & Gaebler, 1992; Christensen & Lægreid, 2007).

Performance measurement, output-based budgeting, decentralization, contracting out, and digital service modernization are among the key instruments of NPM-inspired reform. Within this framework, government is expected to move from direct service provision alone toward a stronger steering role involving policy design, regulation, oversight, and performance management (Kettl, 2005).

A signature approach of NPM-inspired reform is reducing the size of the public workforce to lower administrative costs and create fiscal space for development. Civil service reform

is therefore conceptualized not merely as structural adjustment but as performance-oriented change directed toward budgetary efficiency and value-for-money outcomes (Aucoin, 1990).

However, NPM has also been criticized for potentially overemphasizing cost reduction at the expense of equity, institutional stability, and public service capacity (Peters & Pierre, 2012). These critiques are particularly relevant for developing and transitional contexts, where administrative capacity and institutional accountability may be uneven. For this reason, downsizing should be understood as one component of a broader reform package rather than as an isolated policy instrument.

H1. Public sector downsizing is positively associated with budget efficiency.

2.2. Downsizing and fiscal efficiency

Downsizing has become a common reform strategy for governments seeking to reduce public expenditure and improve productivity. The underlying rationale is that a smaller and more focused public workforce can reduce wage-bill pressure, curb bureaucratic duplication, and redirect scarce public resources toward priority investment areas such as infrastructure, health, and education (Kettl, 2005; Alesina et al., 2019).

In practice, public sector downsizing may include hiring freezes, early retirement schemes, reorganization of administrative units, and reviews of functions to eliminate overlapping mandates. Such measures are often implemented alongside broader fiscal and administrative reform programs intended to create a leaner state structure and improve macro-fiscal stability (Ali, 2001; Schiavo-Campo, 1998).

Empirical evidence suggests that downsizing may generate fiscal gains when implemented strategically and accompanied by institutional reform. However, indiscriminate downsizing can weaken service delivery, reduce morale, and create capacity gaps. In some cases, apparent savings may be offset by greater reliance on temporary or contract workers (Common, 2004).

In Viet Nam, Resolution No. 39-NQ/TW has guided efforts to streamline the civil service, reduce redundant staffing, and improve the quality of public employment. The fiscal consequences of these reforms require systematic empirical testing, particularly at the provincial level, where implementation intensity differs across local governments.

H2. Public sector downsizing is positively associated with governance quality.

2.3. Civil service reform and governance quality

Civil service reform has long been considered fundamental to improving public sector governance and reducing corruption, especially in developing and transitional economies. A professional and accountable civil service is necessary for effective public service delivery, transparency, and responsible use of public resources (World Bank, 2000; OECD, 2017).

Corruption and weak governance often flourish where bureaucratic structures are complex, responsibilities are vaguely defined, and personnel systems lack transparency. Weak institutional controls and politicized appointment practices create opportunities for rent-seeking, erode public trust, and weaken state legitimacy (Evans & Rauch, 1999).

Professionalization through merit-based recruitment, promotion, training, and ethical

codes can reduce discretionary abuse and improve performance. Previous studies show that governments with more professionalized civil services tend to report lower perceived and actual levels of corruption (Dahlström et al., 2012; Meyer-Sahling et al., 2018).

In Viet Nam, civil service reform has increasingly been placed within broader agendas of administrative modernization and anti-corruption. Reform measures focus not only on the size of the civil service but also on improving competence, integrity, and professional standards among public officials.

H3. Civil service professionalization is positively associated with governance quality.

2.4. Comparative perspectives from developing and emerging economies

In many developing and emerging economies, public employment reform has been a key component of state modernization strategies, often implemented alongside fiscal stabilization, good governance, and administrative reform. While policy designs vary, their broad objectives are similar: reducing fiscal pressure, improving service delivery, curbing corruption, and increasing institutional accountability (Schick, 1998; Ali, 2001).

In Indonesia, civil service reform has been associated with digital governance initiatives such as electronic procurement and performance-based budgeting. These measures have helped reduce administrative costs and enhance transparency, although reform has also encountered resistance from entrenched interests (Butt & Lindsey, 2008).

Experiences from Kenya, Brazil, India, and the Philippines show that reform outcomes depend heavily on political commitment, state capacity, monitoring mechanisms, and

the ability to align downsizing with capacity-building and institutional modernization. These lessons are relevant for Viet Nam because staff reductions alone are unlikely to yield durable governance improvements without complementary investments in digitalization and professionalization.

Given this comparative evidence, Viet Nam's reform agenda under the Politburo's Resolution No. 39-NQ/TW dated April 17, 2015, on downsizing and restructuring of cadres, civil servants, and public employees should be understood as part of a broader international trend toward more efficient, accountable, and digitally enabled public administration.

H4. Budget efficiency is positively associated with governance quality.

H5. Digital transformation positively moderates the relationship between public sector downsizing and governance quality.

3. Methodology

This study adopts a quantitative panel-data research design to examine the impact of public employment reform on budget efficiency and governance quality in Viet Nam. The empirical analysis uses a balanced panel dataset comprising 63 provincial-level administrative units, observed annually from 2015 to 2023. The unit of analysis is therefore the province-year, not a single cross-sectional observation. This clarification directly addresses the sample-size and data-structure issue raised during peer review.

3.1. Research model

To reflect the panel structure of the dataset, the study estimates Pooled OLS, Fixed Effects (FE), and Random Effects (RE) models. The baseline specifications are as follows:

Model 1: Budget efficiency

$$BEI_{it} = \beta_0 + \beta_1 StaffReduction_{it} + \beta_2 WageReform_{it} + \beta_3 Digitalization_{it} + \beta_4 Training_{it} + \mu_i + \lambda_t + \varepsilon_{it}$$

Model 2: Governance quality

$$Governance_{it} = \beta_0 + \beta_1 StaffReduction_{it} + \beta_2 WageReform_{it} + \beta_3 Digitalization_{it} + \beta_4 Training_{it} + \beta_5 BEI_{it} + \beta_6 (StaffReduction_{it} \times Digitalization_{it}) + \mu_i + \lambda_t + \varepsilon_{it}$$

where i denotes the provincial-level administrative unit, t denotes year, μ_i captures unobserved province-specific heterogeneity, λ_t captures year-specific effects where included, and ε_{it} is the idiosyncratic error term. The FE model controls for time-invariant provincial characteristics, whereas the RE model assumes that unobserved provincial effects are uncorrelated with the regressors. The Hausman test is used to determine the preferred specification between FE and RE.

3.2. Variables and measurement

To empirically examine the effects of public employment reform on budget efficiency and governance quality, this study operationalizes the dependent, independent, and interaction variables as follows.

Budget Efficiency Index (BEI). BEI is used as a dependent variable and measures the extent to which administrative operating expenditure is reduced relative to total government expenditure. It captures the fiscal efficiency gains associated with public employment reform, particularly the extent to which workforce restructuring contributes to administrative cost optimization.

Governance Quality Index. Governance quality is the second dependent variable. It is constructed as a composite index reflecting

key dimensions of public sector performance, including transparency, accountability, responsiveness, government effectiveness, and the quality of public service delivery. The index is adapted from internationally and nationally recognized sources, including the World Bank's Worldwide Governance Indicators (WGI) and Viet Nam's Public Administration Performance Index (PAPI), thereby ensuring both international comparability and contextual relevance to Viet Nam.

Staff Reduction Rate (%). This independent variable measures the annual percentage decrease in the number of civil servants within each provincial-level administrative unit. It represents the intensity of workforce downsizing under Viet Nam's public employment reform agenda.

Public Sector Wage Reform Index (PSWRI). This constructed index captures the extent of structural change in the public compensation system. It includes wage adjustment intensity, merit-based promotion, wage compression adjustment, performance-related incentives, and implementation consistency across provincial-level administrative units.

Digitalization of administrative procedures (%). This variable measures the proportion of public administrative services delivered online at advanced service levels. It is used as a proxy for digital transformation in public administration and reflects the extent to which administrative procedures have been modernized through digital platforms.

Training expenditure per civil servant. This variable measures the average annual expenditure on professional development per civil servant. It reflects the level of investment in human capital development and administrative professionalization within the public sector.

Staff reduction × *Digitalization*. This interaction term is included to test whether digital transformation moderates the relationship between staff downsizing and

governance quality. A positive and statistically significant coefficient would suggest that digitalization strengthens the governance effects of workforce reduction.

Table 1. Construction and operationalization of the Public Sector Wage Reform Index (PSWRI)

Component	Operational meaning	Coding/normalization	Rationale
Wage adjustment intensity	Annual change in public sector salary or salary coefficient relative to the base year	Min-max normalization to a 0-1 scale	Captures the scale of compensation reform
Merit-based promotion component	The extent to which promotion and salary progression are linked to performance appraisal	Ordinal score converted to a 0-1 scale	Reflects performance orientation
Wage compression adjustment	Reduction in excessive compression between entry-level and senior positions	Standardized ratio or index score	Captures changes in the incentive structure
Performance-related incentives	Existence and implementation intensity of bonuses or incentive payments linked to outputs	Binary or ordinal score converted to a 0-1 scale	Reflects behavioral incentive mechanisms
Implementation consistency	Degree of consistency in wage reform implementation across provincial-level administrative units	Standardized implementation score	Captures policy execution quality

Source: Compiled by the authors (2026).

The composite PSWRI is calculated as the average of the standardized component scores (*Table 1*). Because the components are measured on different scales, min-max normalization is applied before aggregation. Equal weighting is adopted because no officially established national weighting scheme is available for these components.

Content validity is supported by grounding each component in civil service compensation reform theory and Viet Nam's administrative reform policy documents. Since the index is constructed by the authors, future research should further validate it through expert assessment, reliability analysis, and sensitivity tests using alternative weighting schemes.

3.3. Data sources and collection

The study uses official government reports, international governance databases, and national statistical sources covering the period from 2015 to 2023. The period 2015 - 2023 is used consistently throughout the manuscript because it is the available observed data period. The analysis does not use projected or future data for 2024 - 2025.

Viet Nam's Government Performance Reports (2015 - 2023), published by the Ministry of Home Affairs and the Ministry of Finance, provide statistics on civil service structure, personnel changes, administrative expenditures, and public sector reform outcomes.

The World Bank's Worldwide Governance Indicators (WGI) are used to support the construction of governance quality measures, especially government effectiveness, regulatory quality, and control of corruption.

The Public Administration Performance Index (PAPI), developed by UNDP and Vietnamese partners, provides disaggregated provincial data on transparency, participation, accountability, and public service delivery.

Viet Nam's e-government and digital transformation reports provide data on digital public services and progress in administrative digitalization.

Supplementary datasets from the General Statistics Office (GSO) are used for demographic, economic, and control variables.

Legislative and policy documents, especially the Politburo's Resolution No. 39-NQ/TW dated April 17, 2015, provide the institutional basis for interpreting reform measures and constructing policy-related indicators.

3.4. Sample size and time frame

The sample comprises 63 provincial-level administrative units in Viet Nam, observed annually from 2015 to 2023. Accordingly, $N = 63$ refers to the number of cross-sectional units, namely Viet Nam's provinces and centrally governed cities. Because each unit is observed over nine years, the balanced panel contains 567 province-year observations ($63 \times 9 = 567$). This revised clarification distinguishes the number of administrative units from the number of panel observations and avoids treating the dataset as a simple cross-section.

The empirical scope is limited to 2015 - 2023. Although Viet Nam's civil service reform continues beyond 2023, data for 2024 - 2025 are not used in the regression analysis.

3.5. Analytical procedures

All analyses are conducted using Stata 17. Prior to estimation, data are cleaned, harmonized across sources, and checked for consistency. The analytical procedure includes: (i) Descriptive statistics; (ii) Multicollinearity testing using variance inflation factors (VIF); (iii) Estimation of Pooled OLS, FE, and RE models; (iv) Hausman specification testing; and (v) Robustness checks using heteroskedasticity-robust standard errors clustered at the provincial level.

Because the data are panel data, diagnostic tests are adapted accordingly. Heteroskedasticity is assessed using modified Wald-type procedures, while serial correlation is checked using panel autocorrelation diagnostics. Statistical significance is assessed at $p < .01$, $p < .05$, and $p < .10$ thresholds. Model performance is reported using R-squared statistics, F/Wald statistics, and information criteria where appropriate.

4. Results and discussion

4.1. Regression results for budget efficiency

Table 2 presents the panel-data regression results for the budget efficiency model.

Compared with the earlier version of the manuscript, the revised table reports Pooled OLS, Fixed Effects, and Random Effects specifications to reflect the panel structure of the dataset.

Table 2. Panel regression results for budget efficiency across Pooled OLS, Fixed Effects and Random Effects models - Model 1

Predictor variable	Pooled OLS	Fixed Effects (FE)	Random Effects (RE)	Interpretation
Staff Reduction Rate (%)	0.328***	0.291***	0.304***	Positive and robust association with budget efficiency
Wage Reform Index	0.217**	0.142	0.168*	Positive but less stable across specifications
Digitalized procedures (%)	0.145*	0.129*	0.136*	Weak-to-moderate positive association
Training expenditure per civil servant	0.098	0.074	0.081	Not statistically significant
Province effects	No	Yes	Random	Panel structure addressed
Year effects	Yes	Yes	Yes	Controls for common time shocks
Observations	567	567	567	63 provinces $\times$ 9 years
Number of provinces	63	63	63	N = cross-sectional units
Adjusted/within R ²	0.61	0.56	0.59	Model fit indicators

Note: *p < .10, **p < .05, ***p < .01. Coefficients are reported with robust standard errors clustered at the provincial level. The table has been revised to reflect the balanced panel structure of the data.

Source: Compiled by the authors (2026).

The results indicate that staff reduction is positively and significantly associated with budget efficiency across all specifications, supporting H1. Wage reform is positive but less robust, while digitalization shows a weak-to-moderate positive association with budget efficiency. Training expenditure is not statistically significant in this model. These findings suggest that fiscal gains are most clearly associated with workforce restructuring, whereas compensation

and training reforms may require longer implementation periods to generate measurable budgetary effects.

4.2. Regression results for governance quality

Table 3 reports the panel-data regression results for governance quality, including the interaction between staff reduction and digitalization. The results are presented across Pooled OLS, FE, and RE specifications.

Table 3. Panel regression results for governance quality across Pooled OLS, Fixed Effects, and Random Effects models - Model 2

Predictor variable	Pooled OLS	Fixed Effects (FE)	Random Effects (RE)	Interpretation
Staff Reduction Rate (%)	0.194**	0.176**	0.182**	Positive association with governance quality
Wage Reform Index	0.112	0.087	0.095	Not statistically significant
Digitalized procedures (%)	0.239***	0.221***	0.228***	Strong positive association
Training expenditure per civil servant	0.157*	0.148*	0.151*	Modest positive association
Budget Efficiency Index (BEI)	0.273**	0.248**	0.256**	Budget efficiency predicts governance quality
Staff Reduction × Digitalization	0.118**	0.104**	0.109**	Digitalization strengthens the reform effect
Province effects	No	Yes	Random	Panel structure addressed
Year effects	Yes	Yes	Yes	Controls for common time shocks

Predictor variable	Pooled OLS	Fixed Effects (FE)	Random Effects (RE)	Interpretation
Observations	567	567	567	63 provinces $\times$ 9 years
Number of provinces	63	63	63	N = cross-sectional units
Adjusted/within R ²	0.67	0.61	0.64	Model fit indicators

Note: * $p < .10$, ** $p < .05$, *** $p < .01$. Coefficients are reported with robust standard errors clustered at the provincial level.

Source: Compiled by the authors (2026).

The findings provide empirical support for H2, H3, H4, and H5. Staff reduction is positively associated with governance quality, supporting H2. Training expenditure has a modest positive association with governance quality, supporting H3, whereas wage reform is not statistically significant. Budget efficiency is positively related to governance quality, supporting H4. Most importantly, the positive, statistically significant interaction term indicates that digital transformation strengthens the relationship between downsizing and governance performance, thereby supporting H5.

4.3. Model selection and robustness checks

To determine the preferred panel-data specification, the study compares FE and RE models using the Hausman test. The Hausman test evaluates whether unobserved provincial characteristics are correlated with the explanatory variables. A statistically significant test favors the FE model, while a non-significant result supports the RE model. In the revised analysis, model selection is reported explicitly rather than relying only on conventional multivariate regression (Table 4).

Table 4. Model selection and robustness diagnostics for the Panel Regression Analysis

Test/Diagnostic	Model 1: Budget efficiency	Model 2: Governance quality	Decision
Hausman test	χ^2 significant at $p < .05$	χ^2 significant at $p < .05$	FE preferred
VIF	Below the conventional threshold	Below the conventional threshold	No serious multicollinearity

Test/Diagnostic	Model 1: Budget efficiency	Model 2: Governance quality	Decision
Clustered robust SE	Applied	Applied	Controls for heteroskedasticity within provinces
Year effects	Included	Included	Controls common reform-period shocks

Source: Compiled by the authors (2026).

The robustness checks confirm that a single cross-sectional specification does not drive the main conclusions. The FE results are emphasized in the interpretation because they control for time-invariant provincial characteristics, such as geography, administrative culture, and long-standing institutional capacity.

4.4. Discussion

The findings support the central tenets of New Public Management, particularly the argument that a smaller and strategically managed public sector can improve efficiency and effectiveness when accompanied by institutional reform (Hood, 1991; Pollitt & Bouckaert, 2017). Public sector downsizing is positively and significantly associated with budget efficiency and governance quality, suggesting that workforce restructuring under the Politburo's Resolution No. 39-NQ/TW dated April 17, 2015, may have contributed to fiscal discipline and administrative performance.

These results are consistent with global reform experiences, which show that reductions in bureaucratic overhead can create fiscal space and improve administrative responsiveness when implemented as part of a coherent reform strategy (Alesina et

al., 2019; Grindle, 2012). However, the findings should not be interpreted as support for indiscriminate downsizing. Rather, they suggest that downsizing becomes effective when combined with digital transformation, professional development, and stronger monitoring systems.

Digital transformation emerges as both a direct determinant of governance quality and a moderating factor. The positive association between digitalization and governance quality confirms the importance of technology in contemporary public administration. The significant interaction effect further suggests that staff reduction produces stronger governance benefits in provinces with more advanced digital infrastructure. This finding supports the institutional complementarity argument that reforms are more likely to succeed when organizational restructuring and technological modernization proceed together.

The non-significant effect of wage reform deserves particular attention. Although compensation reform is widely recognized as important for recruitment, retention, and integrity, the results suggest that Viet Nam's wage reform may not yet be sufficiently connected to performance appraisal, career development, and accountability

mechanisms. Wage reform should therefore be treated as part of a broader human resource management system rather than as a stand-alone administrative measure.

Budget efficiency is also positively related to governance quality, indicating that fiscal discipline and institutional legitimacy are mutually reinforcing. When governments allocate resources more efficiently, reduce waste, and improve service delivery, citizens may perceive public institutions as more accountable and responsive.

At the same time, the study acknowledges a potential endogeneity problem. In public administration and political science research, the relationship between reform implementation and governance quality may be bidirectional. Provinces with stronger governance capacity may be better able to implement staff reductions successfully, while successful staff reductions may also improve governance quality. This possibility of reverse causality means that the results should be interpreted as evidence of a strong statistical association rather than definitive causal proof.

Due to data limitations and the absence of strong, theoretically valid instrumental variables at the provincial level, the current study does not employ two-stage least squares (2SLS) or dynamic panel generalized method of moments (GMM). Future research should address this limitation by using lagged variables, instrumental-variable designs, natural experiments, or dynamic GMM estimators when longer time-series data become available. Recognizing this limitation increases the study's transparency and provides a clearer agenda for subsequent research.

5. Conclusion

This research has investigated the empirical relationship between public employment reform, budget efficiency, and governance quality in Viet Nam during 2015 - 2023. Drawing on NPM theory and comparative public administration literature, the study used a balanced provincial panel dataset and estimated Pooled OLS, FE, and RE models to test five hypotheses concerning workforce reduction, wage reform, digital transformation, and professional development.

The results show that staff reduction is positively associated with budget efficiency and governance quality. This finding supports the view that a leaner public sector can contribute to improved fiscal discipline and administrative performance when implemented within a broader reform framework. The analysis also highlights the important role of digital transformation, which directly improves governance quality and strengthens the positive association between downsizing and governance outcomes.

The findings provide partial support for the role of professionalization, as training expenditure is modestly associated with governance quality. However, wage reform does not show a consistent significant effect, suggesting that compensation reform may require stronger links to performance appraisal, merit-based promotion, and accountability systems.

The study contributes to public administration research by providing panel-data evidence from a developing country context. It also offers policy implications for Viet Nam and comparable countries: public employment reform should not rely solely on headcount reduction but should be integrated with digital

governance, professional capacity-building, fiscal monitoring, and performance-based human resource management.

Nevertheless, the findings should be interpreted with caution because of potential endogeneity and reverse causality. Future studies should extend the observation period, incorporate more detailed administrative microdata, and apply advanced causal identification strategies such as 2SLS, difference-in-differences, or dynamic GMM where appropriate. Despite these limitations, the Vietnamese case demonstrates that civil service transformation can support a more efficient, accountable, and responsive state when reform instruments are aligned and institutionally sustained.

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