

Identifying limitations, shortcomings, and solutions in the management of redundant public assets after the rearrangement of administrative units

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Abstract: *The rearrangement of administrative units is a significant policy aimed at streamlining the apparatus, improving the effectiveness and efficiency of state management, and maximizing resource utilization for socio-economic development. However, after the rearrangement, a large volume of redundant public assets remains scattered across many localities, while the mechanisms for managing, utilizing, and allocating these resources have not been promptly adjusted to the new model. This situation poses risks of waste, inefficient use, or even abandonment and deterioration of assets. Based on an analysis of the current management of redundant public assets following the restructuring of administrative units, this article identifies key difficulties and inadequacies in mechanisms, policies, and implementation practices. It then proposes several solutions to prevent waste, enhance the efficient use of public assets, and unlock the potential value of state resources, thereby ensuring sustainability in public asset management.*

Keywords: *Two-tier government; waste; public assets; administrative apparatus restructuring; localities.*

1. Introduction

Between 2019 and 2025, Vietnam implemented a comprehensive administrative reform, extending from the central to the local levels, with the overarching goal of streamlining the organizational structure, eliminating intermediate layers, saving the state budget, and enhancing the effectiveness and efficiency of state governance (Poliburo, 2017). In particular, starting July 1, 2025, the Government

has officially operated under a two-tier model (province and commune). The total number of provincial-level administrative units has been reduced from 63 to 34 (including six centrally governed cities and 28 provinces). In contrast, the number of commune-level units has sharply decreased from 10,598 to 3,321 (including communes, wards, and special zones) (Trung, 2025).

However, this rearrangement process has resulted in a large

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volume of redundant public assets. As of before June 2025, in 52 provinces and cities that implemented administrative unit mergers, there were 4,226 redundant public offices, accounting for more than 11% of the total number of public office buildings (Ministry of Home Affairs, 2025). The management, handling, and effective utilization of these assets pose a significant challenge because, without timely and coordinated solutions, public assets may be wasted or degraded, and the budget savings from streamlining the apparatus could be “eroded” by the costs of maintenance, security, and depreciation. In the context of promoting economic restructuring, practicing thrift, and combating wastefulness, researching and assessing the current state of management of redundant public assets following administrative rearrangement, and proposing solutions to optimize this resource, is of great necessity.

2. Context of administrative streamlining and organizational restructuring of administrative units

The 2013 Constitution affirms the regime of all-people ownership over land, natural resources, and assets invested and managed by the State; the State acts as the representative of ownership and exercises unified management, while also ensuring the principles of publicity, transparency, and accountability in the management of public finance and public assets (National Assembly, 2013). This provides an important constitutional foundation for establishing a legal and policy framework for managing and disposing of public assets, particularly in the context of restructuring and reorganizing the administrative apparatus and local administrative units.

On this basis, the 2017 Law on Management and Use of Public Assets establishes the principle of unified management, clearly stipulates the authority and responsibility of

heads of agencies, as well as the procedures for handling public assets (recovery, transfer, functional conversion, sale, liquidation, etc.). The Law also requires the development and operation of a National Database on Public Assets to enhance the effectiveness of asset monitoring and governance nationwide (National Assembly, 2017).

In terms of political directions, the Politburo issued Resolution No. 37-NQ/TW dated December 24, 2018, on the rearrangement of district- and commune-level administrative units; subsequently, the Standing Committee of the National Assembly issued Resolution No. 653/2019/UBTVQH14 dated March 12, 2019, on the rearrangement of district- and commune-level administrative units for the period 2019 - 2021, and Resolution No. 595/NQ-UBTVQH15 dated September 12, 2022, on continuing the rearrangement of such units (Standing Committee of the National Assembly, 2022). These documents require that the restructuring process must be associated with streamlining the administrative apparatus, improving the effectiveness and efficiency of local governments, and ensuring the economical and efficient use of public resources, including buildings, land, and other assets.

In practice, wastefulness of public assets after the rearrangement of administrative units can be identified through several typical manifestations. *The first* is abandonment and non-use, commonly seen in old commune-level People’s Committee offices or former specialized agency buildings that became vacant for years after being merged, leading to rapid deterioration. A second form is improper use, when public assets are lent out, leased, or used for personal benefit in violation of regulations. *Another situation* is underutilization, where usable facilities remain in operation but only partially, failing to maximize their capacity. *A further issue* is the prolonged handling time, as redundant public assets are not promptly valued,

auctioned, or converted for functional use, resulting in depreciation over time.

Reports from the State Audit Office and the Government Inspectorate in recent years indicate that this situation persists in many localities, particularly during the 2019 - 2023 period, when large-scale administrative restructuring was implemented but not fully aligned with plans for managing public assets. Without proper mechanisms for management and disposal, the restructuring of the administrative apparatus will not achieve optimal effectiveness, and budget savings from organizational streamlining may be offset by losses resulting from the waste of public assets.

At the central level, streamlining of organizational units has been vigorously implemented. According to the Ministry of Home Affairs, by early 2025, the total number of subordinate units under ministries and ministerial-level agencies had decreased by approximately 30%, with some agencies reducing their units by as much as 50%. The Government's organizational structure was streamlined from 18 ministries and four ministerial-level agencies to 14 ministries and three ministerial-level agencies. A total of 3,303 sub-departments (equivalent to 91.7%), 203 public service units, and hundreds of senior leadership positions were eliminated, including five ministers, 13 directors-general, 519 directors, and 219 heads of departments (Ministry of Finance, 2024).

At the local level, reform focuses on merging or consolidating departments with similar functions, piloting the model of "one department managing multiple sectors," and especially restructuring provincial-level administrative units. This large-scale rearrangement has produced visible fiscal benefits. In the period 2019 - 2021 alone, the state budget saved approximately 2,008.63 billion VND, including 1,132.63 billion VND saved from reduced administrative expenditures at district and commune levels,

and 876 billion VND saved from reduced allowances for part-time officials (Ministry of Finance, 2024). In addition, streamlining has helped improve the quality of public services and reduce fragmentation and overlap.

However, the implementation of this administrative streamlining revolution has also generated significant challenges in managing and disposing of a large volume of redundant public assets, especially buildings, land attached to agency headquarters, and public infrastructure. Without timely solutions, the risks of wastefulness and reduced effectiveness of the overall reform are clearly foreseeable.

3. Management and utilization of public assets in the context of streamlining the administrative apparatus and rearranging administrative units

3.1. The period before July 1, 2025

Following rounds of administrative unit rearrangements from 2019 to 2021 and 2023 to 2025, the volume of redundant public assets increased rapidly, primarily comprising office buildings, public facilities, and associated land. According to data compiled by the Ministry of Home Affairs from provincial proposals, in 52 provinces and cities that reorganized their administrative structures, there were 38,182 public offices in total, of which 33,956 were planned for continued use and 4,226 were expected to become redundant (approximately 11.1%) (Ministry of Home Affairs, 2025). This represents a substantial resource that requires timely management to prevent depreciation and prolonged maintenance costs.

Nationwide, by the end of 2024, there were 11,034 public properties (including houses and land) either unused, inefficiently used, or used for improper purposes. Among them, 3,780 had approved handling decisions, while 7,249 had not yet been processed, revealing procedural and implementation bottlenecks in some areas (Ministry of Finance, 2024).

At the local level, the pace and scope of asset disposal varied significantly: (1) Ho Chi Minh City managed 3,895 public facilities, of which 3,430 continued to be used and 231 were redundant (mostly small, dispersed offices at neighborhood or hamlet level), with plans underway for repurposing or reallocation; (2) Binh Phuoc province (now part of Dong Nai province) reviewed 310 facilities, processed 92, and was continuing to handle 218 redundant assets - mainly former provincial administrative offices and former district-level People's Committee headquarters; (3) Ha Tinh province had 245 redundant public properties after administrative mergers, and the province prioritized reallocating them for commune-level police stations, local military commands, or converting their functions to prevent deterioration and encroachment (Ministry of Home Affairs, 2025).

It can be observed that the merger of administrative units generated a substantial volume of redundant assets in many localities (such as commune offices, specialized departments, and former district administrative buildings). However, lengthy procedures for repurposing, valuation, and auctioning have left many of these assets idle, resulting in waste and additional maintenance costs. This situation has resulted in two serious consequences:

(1) "Eroding" the achievements of administrative streamlining: the savings from reduced recurrent expenditures risk being neutralized if redundant assets are not promptly and definitively addressed.

(2) Wasting valuable facilities: office buildings and land plots that could be immediately repurposed for public services (such as education, grassroots healthcare, and community culture) or public-private partnerships remain unused.

Therefore, in addition to periodic reporting mechanisms, provinces are required to

publicly disclose lists and statuses of redundant assets, along with proposed handling plans. The objective is to encourage public oversight and improve the quality of decision-making. At the same time, the premature sale of land-attached public assets is discouraged unless all legal conditions are met, to prevent the loss of public resources and preserve valuable state-owned land funds.

3.2. The period from July 1, 2025, to the present

Beginning on July 1, 2025, the newly structured local government system officially came into operation under the two-tier model. By the end of September 2025, the administrative structure had stabilized with 34 provincial-level units and 3,321 commune-level units (Trung, 2025). The transition to this model has contributed to streamlining the administrative apparatus; however, it has also generated a considerable amount of redundant public assets, primarily in two main categories: (1) Headquarters of agencies and public service units that became redundant after mergers or consolidations; (2) Former commune-level People's Committee offices that no longer have administrative functions following the downsizing of local administrative boundaries.

According to the Department of Public Asset Management (Ministry of Finance), as of September 30, 2025, more than 14,050 public properties (buildings and land plots) nationwide had been processed after the implementation of the two-tier government model. Meanwhile, 13,759 public properties across 34 provinces and cities still require further handling (Diep, 2025).

In major urban centers, the redundancy problem is particularly evident. Ho Chi Minh City reported 1,087 redundant office buildings (Nhan et al., 2025), in the Mekong Delta region, provinces that recently underwent mergers recorded large-scale redundancies. For instance, An Giang - Kien Giang (now An Giang province) reported 7,016 public facilities

subject to reorganization, of which 6,190 were retained for continued use and 826 were classified as redundant (including 108 provincial-level offices transferred to the Land Development Center for management and 718 district-level offices temporarily handed over to communes). Meanwhile, Ca Mau province reported 99 redundant office buildings after the consolidation process (Dau, 2025).

4. Main causes leading to redundant public assets

The process of streamlining administrative structures and reorganizing administrative units from 2019 to 2025 has reduced organizational overlaps and saved recurrent expenditures. However, the volume of redundant public assets has grown faster than the capacity to handle them, resulting in inefficiencies and waste. The underlying causes of this issue stem from several interrelated factors.

First, there are legal and land-use planning obstacles. The 2017 Law on Management and Use of Public Assets, the 2024 Land Law, and their implementing decrees prescribe strict procedures that must be followed before any reallocation, sale, lease, or conversion of assets attached to land can occur. In many localities, the legal documentation of public offices and land remains incomplete, often lacking proper land-use certificates or precise boundary and area determinations, resulting in prolonged processing times. For instance, Binh Phuoc (now part of Dong Nai province) reported 218 redundant facilities, of which 40% lacked sufficient legal documentation for auction or functional conversion. Additionally, many office buildings are located in areas without detailed 1/500 zoning plans or are subject to zoning adjustments, further delaying the process. In Ha Tinh, among 245 redundant offices, some could not be repurposed due to overlapping land-use plans for defense, education, or infrastructure (Ministry of Home Affairs, 2025).

Second, there is a lack of centralized data and modern management tools. Vietnam currently lacks a nationwide online system for managing public assets, resulting in slow, non-real-time updates and poor data synchronization. Information regarding the condition, value, location, and legal status of assets is still manually compiled through paper reports or separate files from various departments, which hampers review and decision-making. The 2024 Ministry of Finance report indicated that there were 7,249 redundant facilities nationwide without handling decisions, partly due to delayed data updates (Tu, 2025). This creates a “blind spot” in management, where abandoned or degraded assets lack a clearly assigned responsibility.

Third, the organizational capacity and inter-agency coordination remain limited. Prior to July 1, 2025, in many provinces and cities, the Department of Finance was the primary point of contact for managing public assets. However, it depended on coordination with the Departments of Natural Resources and Environment, the Departments of Construction, and the district-level People’s Committees to complete procedures. Poor coordination caused case backlogs. For example, Ho Chi Minh City still had 231 redundant facilities pending processing - most with approved plans - due to delays in district-level approval (Ministry of Home Affairs, 2025). Furthermore, the absence of a “fixed deadline” for handling redundant public assets allowed files to stagnate over multiple reporting cycles, resulting in lost opportunities for utilization.

Fourth, many localities have limited capacity to exploit or repurpose public assets. Instead of adopting temporary reuse models for education, healthcare, community culture, or public-private partnerships, some areas left assets vacant, awaiting auction. This creates dual waste: assets deteriorate while potential public service uses go unmet. In Cao Bang province, for instance, some

former commune offices have been abandoned for two to three years after mergers, even as preschools and health stations continue to face shortages of functional rooms (Ministry of Home Affairs, 2025).

Fifth, regional characteristics and maintenance costs also play a role. In remote and mountainous areas, market demand for redundant public assets is extremely low, making auctions or leases almost unfeasible. At the same time, maintenance costs are high. In Binh Phuoc (now part of Dong Nai province), security and maintenance costs for redundant offices are estimated at 3-5 million VND per facility per month, equivalent to more than 7 billion VND annually if not promptly addressed (Ministry of Finance, 2024). This creates a heavy financial burden on local budgets, especially when the assets generate no revenue.

From the above analysis, it can be seen that the waste of public assets after administrative mergers does not stem solely from excess physical facilities, but also from institutional bottlenecks, data deficiencies, weak inter-agency coordination, limited utilization strategies, and regional socio-economic constraints. The waste of public assets not only causes economic losses but also undermines the credibility and operational efficiency of all levels of government, contradicting the principles of thrift and anti-wastefulness enshrined in the 2017 Law on Management and Use of Public Assets.

5. Solutions for managing redundant public assets after administrative unit rearrangement

First, improving the legal framework. This is the foundation to ensure that the handling of redundant public assets after administrative restructuring is conducted in a coordinated, transparent, and efficient manner. The 2017 Law on Management and Use of Public Assets establishes general principles but does not

fully address the specific circumstances arising from administrative mergers, dissolutions, or boundary adjustments. Therefore, it is necessary to amend and supplement the law to provide clear regulations on the process for handling redundant assets, deadlines for inventory and valuation (e.g., within 6 months after the merger), criteria for determining which assets are to be retained or liquidated, and mechanisms for dispute resolution. In addition, a separate decree should be issued to guide the management of public assets after administrative restructuring, clearly defining the roles and responsibilities of each level of government and specialized agency, from inventory and classification through auctioning or functional conversion.

Second, diversifying methods for handling redundant assets. To ensure that redundant public assets are handled promptly and effectively after administrative mergers, diverse and practical approaches should be adopted, such as: (1) Public auctions via electronic platforms to increase competitiveness and transparency; (2) Transfer to public service units, social organizations, or public - private partnerships for use in education, healthcare, or culture; (3) Long-term leasing at preferential rates to support start-ups and social enterprises; (4) Functional conversion for community purposes such as libraries, cultural houses, or innovation hubs. For central agencies' headquarters located in localities, redundant assets should be coordinated for exchange or transfer to local authorities when no longer needed.

Third, enhancing technological application in public asset management. It is necessary to develop a national database system that integrates information from all ministries, sectors, and localities, covering the entire portfolio of public assets, including land, buildings, facilities, equipment, and other investments. This system should contain

comprehensive data on the condition, value, function, utilization level, and life cycle of each asset and should be capable of real-time connectivity and data sharing. Digitization not only strengthens transparency and coordination but also provides a data-driven decision-making tool for local leaders and agencies when reallocating, liquidating, or reinvesting in assets. In particular, digital databases can play a vital role in inspection and supervision, helping to detect early signs of loss, damage, or waste, while optimizing maintenance schedules and budget allocation.

Fourth, ensuring transparency and strengthening social oversight. Strict adherence to the transparency requirements of the 2017 Law on Management and Use of Public Assets is essential in all processes related to allocation, reallocation, liquidation, and reinvestment of public assets. All such procedures must be publicly disclosed, ensuring that localities, agencies, civil servants, and citizens have access to relevant information. Public disclosure should be accompanied by a feedback mechanism that allows organizations and individuals to comment, propose, or report issues promptly.

At the same time, the Vietnam Fatherland Front, socio-political organizations, and the press and media should be empowered to play supervisory roles, ensuring objectivity in the management and use of public assets. All decisions on reallocation, liquidation, or new investments must be based on verified, transparent databases and subject to proper appraisal by competent authorities. This will help prevent loss and waste, strengthen public trust, and improve accountability among leaders at all levels.

Fifth, enhancing the accountability of leaders. Leaders of localities, agencies, and units must bear direct responsibility for any loss, waste, or delayed handling of public assets. To establish a unified understanding and action system-wide, it is essential to

internalize the principles of thrift and anti-wastefulness in public asset management. These principles should be translated into specific standards, rules, and mandatory regulations that guide the management and utilization of public assets, ensuring that every civil servant and public employee understands their responsibilities. In particular, the principles of thrift and anti-wastefulness must be tied to leadership accountability, serving as an important criterion in performance evaluation, commendation, and appointment decisions, thereby reinforcing institutional discipline and accountability.

In parallel, political education sessions, thematic workshops, and training courses should be organized to raise awareness of the importance and benefits of efficient asset use, transforming awareness into voluntary action and embedding the culture of thrift and public asset protection into the civil service ethos. Furthermore, the implementation of Decree No. 112/2020/ND-CP dated September 18, 2020, on disciplinary measures for officials, public servants, and employees, should be strictly enforced - particularly Clause 2, Article 6, which specifies four levels of disciplinary actions (minor, serious, severe, and extremely serious). Additionally, an incentive mechanism should be introduced to reward localities, agencies, and units that handle redundant assets swiftly, creatively, and effectively - thereby promoting competition, innovation, and the adoption of advanced management models.

6. Conclusion

Efficient management and utilization of public assets after administrative mergers are not only immediate requirements but also essential conditions for enhancing the effectiveness, efficiency, and performance of governance, optimizing national resources, and affirming the soundness of the organizational streamlining reform. To achieve this goal, it is necessary to implement a comprehensive set of

measures: promptly complete a specialized legal framework for handling assets after administrative restructuring; diversify asset utilization methods; establish a national real-time database on redundant public assets; ensure transparency and public oversight by citizens and social organizations; foster a culture of thrift and anti-wastefulness among officials, public servants, and employees; while simultaneously enforcing discipline and accountability for leaders and promoting exemplary models of good practice. Only through the consistent, determined, and well-supervised implementation of these solutions can the value of public assets be maximized to serve the ongoing revolution of administrative streamlining best, enabling the nation to confidently step into a new era - an era of resurgence and vigorous national development.

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