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**THE REGIONALISM AND
REGIONAL DEVELOPMENT POLICY IN VIETNAM
IN LIGHT OF THE EUROPEAN UNION**

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**The regionalism and regional development policy in Vietnam in the light
of the European Union**

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DECLARATION

I, Pham Duy, confirm that this dissertation submitted for the degree of Ph.D. in the regional development policy is individual and expressed in my own words. Any uses made within it of the works of other authors in any form (e.g. ideas, figures, text, tables) are properly acknowledged. A full list of the references employed has been included.

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CONTENT

CHAPTER I: INTRODUCTION	1
CHAPTER II: OVERVIEW OF LITERATURE	5
2.1 Literature reviews	5
<i>2.1.1 Globalizations and regionalization and multi-scalar regionalism</i>	<i>5</i>
<i>2.1.2 Debates of state and models of state rescaling</i>	<i>8</i>
<i>2.1.3 Regionalism in light of the European Union</i>	<i>14</i>
<i>2.1.4 Regional development policy in light of the European Union</i>	<i>16</i>
2.2 The situation of state rescaling in the European Union	22
<i>2.2.1 The macro-regional strategy – new territorial cohesion approaches</i>	<i>23</i>
<i>2.2.1.1 The similarities between administrative traditions and macro-regional divisions</i>	<i>23</i>
<i>2.2.1.2 Review of state rescaling of European states in the context of neoliberalism</i>	<i>24</i>
<i>2.2.2 Some references of state rescaling for regional development in European Union</i>	<i>28</i>
<i>2.2.2.1 The situation of state rescaling in Hungary</i>	<i>28</i>
<i>2.2.2.2 The situation of state rescaling in Sweden</i>	<i>32</i>
<i>2.2.2.3 The situation of state rescaling in Portugal</i>	<i>36</i>
<i>2.2.2.4 The situation of state rescaling in United Kingdom</i>	<i>39</i>
2.3 Taking Vietnam as a case study	42
CHAPTER III: MATERIALS AND METHODS	45
3.1 The research materials	45
<i>3.1.1 The legal documents</i>	<i>45</i>
<i>3.1.2 The academic reports and papers</i>	<i>46</i>
<i>3.1.3 Data for analyses</i>	<i>46</i>
3.2 The research methods	47
<i>3.2.1 The qualitative methods for the research</i>	<i>48</i>
<i>3.2.2 The quantitative methods for the research</i>	<i>49</i>
<i>3.2.2.1 The analysis design for the PCI data set</i>	<i>49</i>
<i>3.2.2.2 The methods of statistical analyses</i>	<i>50</i>
<i>3.2.2.3 The procedure of data analysis</i>	<i>51</i>
3.3 The place of the research	51
3.4 The description of the research subject	54
3.5 The research hypotheses	64
CHAPTER IV: RESULTS	66

4.1 The analyses of the regional structure, regionalism and regional development policy in Vietnam	66
4.1.1 The state rescaling in Vietnam: the perspective from the history since 1802.....	66
4.1.1.1 Local agency in Vietnam in feudalism period.....	66
4.1.1.2 Local organization in Vietnam in French colonial period.....	67
4.1.1.3 Local organization in Vietnam in socialism period	68
4.1.2 The analysis of regional structure of Vietnam.....	73
4.1.3 The analysis of the regional development institution in Vietnam.....	80
4.2 The analysis of multi-level regionalism in Vietnam in 21st century	82
4.2.1 Regionalism – the extended development spaces	84
4.2.1.1 China - Great Mekong Subregion – Vietnam.....	84
4.2.1.2 ASIAN regulatory regionalism	85
4.2.2 The internal development institution.....	91
4.2.3 State rescaling for regional development in Vietnam.....	99
4.2.3.1 Territorial articulation of state spatial strategies.....	99
4.2.3.2 Some SWOT analyses for the new regionalism in Vietnam	101
4.3 The analysis of interaction between state logic and territorial logic in Vietnam	105
4.3.1 The state system in prism of the development indicators.....	106
4.3.2 Identifying state space system in the prism of regionalism	107
4.3.3 The identification of three ‘natural’ regions.....	109
4.3.4 The identification of six ‘natural’ regions	111
4.3.5 Some discussions on the statistical results	113
4.4 The analysis of some lessons from European Union	116
4.4.1 The general lessons for Vietnam	116
4.4.1.1 Three perspectives on state logic	116
4.4.1.2 The six determinants for state rescaling for Vietnam	117
4.4.2 The specific lessons for Vietnam	118
4.4.2.1 Some lessons of state rescaling from Hungary	118
4.4.2.2 Some lessons of state rescaling from Swenden	119
4.4.2.3 Some lessons of state rescaling from Portugal	120
4.4.2.4 Some lessons of state rescaling from the UK.....	121
CHAPTER V: CONCLUSIONS AND RECOMMENDATIONS.....	123
APPENDICES.....	130
REFERENCES.....	134
PUBLICATIONS	141
SUMMARY	142

LIST OF TABLES

Table 1. The affiliities between capital mode of production and socialist mode of production.....	12
Table 2. The history of EU regional policy	20
Table 3. Group of countries with macro-region strategies coincides with the administrative traditions	23
Table 4. Territorial government structure and rescaling results of Napoleonic group.....	25
Table 5. Territorial government structure and rescaling results of Corporate group	26
Table 6. Territorial government structure and rescaling results of Anglo-Saxon group.....	26
Table 7. Territorial government structure and rescaling results of Scandinavian group.....	27
Table 8. Territorial government structure and rescaling results of post-communist group	27
Table 9. The overview of the regional development policy and public administration in Vietnam ...	55
Table 10. The structure of territorial units in Vietnam.....	59
Table 11. The supra-level regionalism in Vietnam since 1957	88
Table 12. The scalar and territorial dimensions of the regional development institution in Vietnam	93
Table 13. The SWOT analysis for new level regionalism in Vietnam.....	102
Table 14. The rotated component matrix	106
Table 16. The classification result for three regions	110
Table 17. The classification results for six regions	113

LIST OF FIGURES

Figure 1. The GDP per inhabitant in the EU by NUTS 2 region in 2015 in map	17
Figure 2 The GDP per inhabitant in the EU by NUTS 2 region in 2015	18
Figure 3. The analysis strategy for PCI dataset.....	49
Figure 4. The system of government in Vietnam.....	58
Figure 5. The regionalism in Vietnam in historical perspective	68
Figure 6. The territorial policy in Vietnam since 1986.....	70
Figure 7 . The structure of the ratio of agricultural production land and index of industrial production by provinces in 2015	74
Figure 8 . The structure of poverty and out-migration rate by provinces in 2015	77
Figure 9. The structure of population and monthly income per capital by provinces in 2015.....	78
Figure 10. The structure of six main statistical regions in Vietnam.....	79
Figure 11. The structure of a number of district governments by provinces in 2015.	80
Figure 12. The structure of a number of communes/wards governments by provinces in 2015.....	81
Figure 13 . The existing system of regional development institution in Vietnam (Modification from (Su, 2014)).....	98
Figure 14. The expected system of regional development institution in Vietnam (Modification from (Su, 2014)).....	101
Figure 15. The combine-group classification of three regions.....	110
Figure 16 . The combine-group classification of six regions	112

CHAPTER I: INTRODUCTION

In the context of globalization, regionalism and regional development policy have widely been reliable in the world. It has been established powerfully in many countries, that creates new regulations and development growth poles. It is not only helpful for the developing nations to have more opportunities in mobilizing external resources, to generate attraction of development capitals, but it also increases regional productivity and promotes regional development. Together with the growth of supranational regimes, the resurgence of regional and local governance, almost all of nation has been undergoing a mainly structural transformation. When the role of the supra-national system has been more and more expanding, the world has been emerging three growth poles, including the Asian Pacific region, the industrial area of European Union (EU) and North America. It has made the resurgence of regional and local governance, particularly at the sub-national level to adapt to the new situation.

In Europe, with the transformation from Fordism to post-Fordism, each European countries followed different strategies. Regional development policy was born and developed powerfully as an inevitable tendency to articulate the territory, to consolidate supranational regime, to advance a common market and to promote a globally political position. According to the European Union, the regional policy has been a reliable resource for all countries in rebalancing regional disparity, in building infrastructure and structural transformation of the state. Many European countries have taken advance of the policy to change the state institution and to rescale the state for regional development in a more and more effective orientation. Similarly, in Asia, state spatial restructuring is emerging in the context of regulatory regionalism in Asia (Brenner, 2004, Jayasuriya, 2015). The Chinese proposal of Regional Comprehensive Economic Partnership with ASIAN + 3 groups of countries and One Belt One Road regional development strategy of China encounter to US and Japan proposal for Trans-Pacific Partnership (TPP) (Jayasuriya, 2015). New modes of the national government and local policy regimes need to transform to advance impetus for regional development continuously. China has succeeded powerfully in economic growth that based on the state's favourable political selection (Chen et al., 2014) and this has created many changes in the macro-regional mechanism, even put more pressure on the neighbours. However after many succeeds and fails of the countries in implementation and the restructuring of state based on external resources as Hungary, Poland, China..., it is necessary to look deeply and carefully at culture and resources to make more sense of inner political and public administration systems itself to mobilize the capital efficiently and to create the transformation of the economy more obviously. To have proper orientation and to have better long-term development in the world of many turmoils, each country has to make sense of itself advantages and disadvantages of their culture, logic, and resources and more importantly, it needs to go itself understood of regulation and order of the world to develop sustainably.

Vietnam is on a turning point of the changing world, with the objective of a country based fundamentally on an industry by 2020, it is making an effort as much as possible to transform the state and to restructure private institution to create new dynamism for development. After thirty years of "Doi Moi" reform since 1986, Vietnam has many achievements in modern history, such as rapid economic growth, early poverty eradication, and improvement of the human development index. (Le, 2009). In addition, Vietnam has become an active member of many kinds of regulatory regionalism and economic globalism such as ASEAN, APEC, and WTO. Therefore, many excellent conditions from the young country such as an appropriate population structure, healthy agriculture, a great adaptation capacity have created a golden opportunity for Vietnam's economic development, even to partly contribute to the ASEAN region's economy, particularly to develop the subnational regions and transform regional development policy and its implementation structure in a new situation.

The thesis eagers some main research goals as following: to advance the awareness of the theory of state rescaling (Brenner, 2004) and of state logic (Lefebvre, 2009), to advance the perception on state space and the trajectory of regional development in Vietnam, to tract European Union's policy framework for regional development and some references of institutional change of European countries in regional development, to create a new point of view on regulatory regionalism in Vietnam and to promote the perception on the influence of regulatory regionalism on development issues.

The thesis has focused on answering four main groups of questions as below. Firstly, how is the regional structure in Vietnam changing? Is the trajectory of regional development policy in Vietnam suitable for that regional transformation? Secondly, are there any solution and orientation for Vietnam to adopt extended international space of regulatory regionalism for development in Vietnam? Thirdly, how does the state institution operate for regional development in Vietnam? Is there any logic behind regional development institution in Vietnam? Does the Vietnamese state install its logic on its territory? To what extent the regional logic is independent on the state's space in their territories? Fourthly, how the European countries adapt the European Union's regional policy and what are the lessons for Vietnam in the new context?

Therefore, the author builds four main hypotheses for justification as below. The first hypothesis is that the characteristics and structure of regions in Vietnam are evident, the regionalism is perspective from history, but the effectiveness and efficiency of regional development policy are vague. The second hypothesis is that the multi-level regulatory regionalism may be a new orientation in Vietnam. Thirdly, the state logic has a significant effect on territorial logic and vice versa. The last hypothesis is that some references of EU regional policy and regional institution transformation of some European countries bring some critical lessons for Vietnam.

As far as the scientific results concerned, the author expects to make some significant contributions as below. Firstly, there is a consensus that regional development is a fundamental policy of a country. There has been a long-standing interest in regulatory regionalism in the

context of globalism and globalization. Therefore, the thesis tried to advance the awareness of regional development policy in Vietnam in the context of globalism and globalization. Secondly, it is widely assumed that the European Union has a practical framework of regional development policy in some decades. Therefore Vietnam may use the European Union's regional development policy as a reference framework to apply it in Vietnam. Thirdly, the theory that state rescaling (Brenner, 2004) in the context of globalization and state space (Lefebvre, 2009) are central to examine the state's reform strategies. Therefore, the author made an effort to advance the perception of state and space in Vietnam and to verify the policy trajectory of regional development in Vietnam. Finally, understanding the development institution is one of the primary objectives of Vietnamese policymaker and politicians, then the author tried to contribute to a perception of an institutional crisis on development in Vietnam.

As far as the novel contribution concerned, likewise, although the body of state rescaling and regulatory regionalism literature has been implemented in blooming around the world, it still has not verified in Vietnam. Therefore, the research tried to dive into the regional development policy in Vietnam. Besides, despite that the regional development policy has been executed in many areas in Europe as Cohesion policy, it has not been applied in a standard way in Vietnam before. Therefore, the research on the policy framework of regional development in the European Union is a useful reference for policy development research in Vietnam.

As for the timely contribution, in recent years, Vietnam faces on the institutional crisis with many critical issues relating to the bureaucracy operation of the state, to land management operation, economic development and enterprises' supports. Therefore, the research tried to create a new point of view under the prism of regulatory regionalism to make clear the barriers of the development institution. Moreover, it is widely assumed that Vietnam is on the challenging way of the changing world, and it gets too much pressure from international issues. The thesis tried to advance the timely perception of state management to disentangle a part of challenges in institutional transformation in Vietnam.

The dissertation contains five chapters, including introduction, an overview of the literature, materials and methods, results, and conclusion. The second chapter of the thesis defines regulatory regionalism and reviews globalization, regionalization, and modes of the state's governance. It is also rechecked the domestic literature on Vietnam and discover on the European Union as the reference in regional policy, the way how to adapt EU policy on the public administrative system or how some European countries are rescaling their states. Next, the third chapter of the thesis strives to present the place of research, the main subject of the research, the material of research and methods by how the author used data, legal documents for explanation, exploitation and analysis. The fourth chapter shows some main achievements of the research, including as below. First, they are the description of the trajectory of regionalism in historical perspective and the analyses of the interaction between regional structure and its regional development policy. Second, the analysis of multi-level regionalism is shown. It

contributes to comprehensive research on regional development and public administration in globalization and regionalization in Vietnam. Third, the analyses of the interaction between state logic and territorial logic are pointed out—finally, the fourth analyses of some successful and failing lessons of European countries' cases. Last but not least, the fifth chapter summarizes some main contribution of the thesis and suggests some recommendations for regional development policy in Vietnam.

CHAPTER II: OVERVIEW OF LITERATURE

2.1 Literature reviews

2.1.1 *Globalizations and regionalization and multi-scalar regionalism*

Historically, there is a substantial controversy among scholars about when globalization may have kicked off and how it has shifted the human lives significantly. For many, globalization is developed with human history, and for others, it has only started from the 1900s as an institutional component existed since the twentieth century (Brown, 2008)p46. Cohen (2005) set out three main periods are the best representations for human interconnectedness. He assumed that the first started during the sixteenth century as the age of global exploration and expansion. The second period of globalization was labelled by the expansion of the Britan's trading empire in the nineteenth century. Lastly, he argues that the current form of globalization is represented by an information age ticked by an explosion of high-speed communication and financial transactions (Brown, 2008).

There are many conceptions of globalization and its impact on the world. It can be understood in a general way as a process of a world-wide integration and transcendence from globalism, with representations of ideology, politics, organization, and economy (Farazmand, 2006). Most of them define globalization as a process that has much more robust connections and interdependency among nations and governments, where many forms of barriers have been removed. For instance, (Jessop, 2002)p117,p134 argues that it is a "part of the proliferation of scales as institutionalized narrated objects of action, regularisation and governance" or "the complex, emergent product of many different forces operating on many scales"... Thus nations have been influenced by many global advanced movements and trends both in economic and political fields and also diffused by great economic powers and international political and financial organizations. Bonimy (2006)p40 emphasizes that national political sovereignty is diminishing and eroding that is followed by the emergence of shared economic powers and global political institutions. Besides the advantages of globalization such as trade opportunities, innovation transfer, sound environmental management, multilateral cooperations, some determinants cannot be avoidable such as contradictions between supply and demand, innovation and competition, profit and environment, capital and state. (Zafarullah and Huque, 2012).

Globalization theory has oriented to concentrate on particular dimensions of global interconnectedness to identify whether globalization is ultimately good or bad. For some, the processes of globalization, under a neoliberal model, are primarily advantageous, and there is also an actual ability to create solutions to the negative externalities involved (Wolf, 2004). For others, globalization also poses some severe pressures on human life to try and resolve, such as increasing environmental devastation, a considerable increase in global inequality, security problems resulting from resource depletion and competition of civilizations (Brown, 2008).

Lane (2006) argues that there are six kinds of responses of state in the context of globalization such as the coordination of the global market economy, protecting the global environment, coordination among countries: from sovereignty to reciprocity, power in international organizations, the regionalization of government, relevance of universalism. As he mentions, the regionalization of management is the only response to globalization. As a result, there is an emergence of a few regional group states which have become principal players in the globalization game: EU, NAFTA, ASEAN, and MERCOSUR. It contributes to global governance in an international organization by reducing the number of players in the more expanded coordination games in their background aspects such as level of economic, social, and political development (Lane, 2006)p159.

Theoretically, Piattoni (2016)p75 has recently defined regionalization as “the process of creating free trade areas, common markets and monetary union among sovereign states”, the process of political or administrative devolution to institutional tiers located below the national centre and as the establishment of intermediate entities among subnational governments in order to join certain activities. He maintains that the orientation of regionalization is presented as changing or redrawing of institutional barriers, as “rescaling of spaces, identities, rights, and power,” as an attribution of new guises of human association (Piattoni, 2016)p78.

As a result of regionalization, there are two significant changes in the world. Firstly, integrated blocks of countries have established, and it reduced national variations in rules and outcomes in all areas. Instead of 100 states, there could be only ten regional organizations, an instant with the European Union representing 28 member states. Secondly, the number of players within international bodies is more efficient than that of integration between groups of countries. For example, transaction cost in 10 units may be more effective than decision making with more than 100 players (Lane, 2006)p159.

In fact, there are some central tendencies of regionalization experienced in the world. Firstly, the regionalization for Europe mainly focused on the Eastern integration, such as regional policy reform and cohesion policy-oriented by the European Union's orientation, unification, and consolidation. It is going to develop more expanded in chapter 3. Secondly, the regionalization for the Asia Pacific and Latin America mainly have concentrated on free trade cooperations. Lastly, for some large countries such as China, USA, and Canada, regionalization has been carried out with the purpose of regional decentralization and regional institutional reform.

In political and economic approach, Jessop (2002)p113 indicates globalization can be characterized as “a supercomplex series of multicentric, multiscalar, multitemporal, multiform and multi-causal processes”. Jessop (2002)p179 argues that “new places are emerging, new spaces are being created, new scales of an organization are being created and new horizons of action are being planned – all in the light of new forms of competition and competitiveness” instead of only the reorganization of places, spaces or scales. These trends were affirmed again in the suggestion of the term “relativization of scale” by Jessop (2002). It can be understood as a

changing scale or a changing regulatory framework that has emerged and reinforced to create new scales and to consolidate institutional thickness, coordination mechanism, and social forces in a multi-dimensioned way. It involves very different opportunities and challenges for economic and political forces, and it is related to actions both to explore and to resist the evolution of globalization processes. He also assumed that a new space for new economic and political strategies of states had been designed by the erosion of the relative closure of Atlantic Fordism, the end of Cold War, the de-construction of the Soviet Bloc and the opening of China.

The term of "regionalism" in the thesis's scope has been initially inspired by multiscale regionalism of Jessop (2002). It can be referred to a reconfiguration of sub-national administrative boundaries and capacities. The aim is to ensure that delivery framework has the sufficient flexibility and ability to adapt to the board of regional policy agenda, address economic growth factors that can cut across organizational boundaries and official maps (Miric, 2010). On the one hand, new regionalism or regionalization involves the emergence of new forms of governance in state-society paradigms that suggest that new types of politically relevant action beyond the state and the seemingly inflexible territory of the state. It can also be understood as a paradigm integrated into notions of economic dynamism, administrative efficiency, community- empowerment, civil society, responsive governance within a spatial framework of the regions (Scott, 2009a). On the other hand, regionalization and regionalism refer to the political processes of decentralization and subnational processes of region-building to enhance the effectiveness and responsiveness of governance (Scott, 2009a). Indeed, Farrell (2006)p209-210 assumes that regionalism is not a new phenomenon, but the standard problems and shared interests for many countries that need to respond both in the developed and developing parts of the world.

Previously, new regionalism involves the emergence of new forms of governance in state-society paradigms that suggest that new ways of politically relevant action beyond the state and the seeming inflexible territorial of the country. It can also be understood as paradigm integrated notions of economic dynamism, administrative efficiency, community- empowerment, civil society, responsive governance within a spatial framework of the regions (Scott, 2009a).

According to a recent approach of Jayasuriya (2009), a conception of 'regulatory regionalism' gradually established transformation the social space in individual countries in Asia-Pacific. This mechanism is not only driven by economic and trade integration, but it also governs and coordinates regulations of a broad region such as infectious diseases and money laundering. Besides, national member initiatives given to national members are weighted pros and cons carefully to the emergence and consolidation of the regional institution. Regionalization is emerging as the process of transformation of state space transcending traditional territorials of the state for cross-border cooperation (Jayasuriya, 2009). However, he also argues that these regulatory regionalization need requirements relating to harmonization of standardized codes and rules such as transparency, cooperation capacity, and microeconomic policies. Besides, this type of governance is still rudimentary as a new form of management in Asia- Pacific (Jayasuriya, 2009).

In recent years, the transformation of statehood has appealed attention to many scholars in many sectors: politics, economics, public administration (Brenner, 2004). In the globalization context, many scholars predicted an inevitable death of national state power because of borderless and global economic integration (Strange, 1996b, Hardt and Negri, 2001, Ohmae, 1996). However, the new forms of statehood have been establishing in response to international and domestic pressure (Brenner, 2004). According to Brenner (2004), new formations of political, economic space are re-established by three contemporary global mainstreams including global economic integration, regional and urban resurgence and the consolidation of the supranational and cross-border institution. These trends have been articulating by trans-local linkages and cross-border cooperation initiatives among local governments (Perkmann, 2002, Hocking, 1999). To sum up, from the economic and political approach of Jessop (2002) and of Brenner (2004), the first approach of the thesis would concentrate on multiscale regionalism with three scales: supranational, national and sub-national.

2.1.2 Debates of state and models of state rescaling

Globalization has kicked off a considerable dispute about governance. The concept of management has been launched to designate a different form of public intervention in various affairs, and types of globalization are the creations of regional mechanisms for economic cooperation or coordination in political matters (Lane, 2006). The theories of regionalization and regionalism above show a “formally institutionalized process of adapting participant states' norm, policy-making process, policy styles, policy content, political opportunities structures, economies, and identities. A new collective set of priorities, rules, and interests at the regional level are shaped by the elite and the popular, that may itself then evolve, dissolve or reach status” (Piattoni, 2016)p77. They “addresses the question of the restructuring and redefinition of the nation-state and of what may replace it” (Piattoni, 2016)p78.

Many scholars support the view of the “end of the state and administration” (Stever, 1988, Strange, 1996b, Farazmand, 2006). Zafarullah and Huque (2012)p31 deem on the contract between the capital and the state. They believe that the eroding role of state following neoliberal ideology causes privatization of state enterprises, de-bureaucratization, regulation break and damage of the welfare system. They have predicted the creation of a new world order beyond nation-states by global corporations and the emergence of a global village and world government with global management" (Farazmand, 2006)p1. Strange (1996b) argues that instead of markets mastered by governments, now markets orientates governments. She reflects the retreat of a state by the increase in some institutions and associations at supra- and sub-regional level. Jessop (2002)p195-8 argues that the denationalization of statehood in the context of globalization and regionalization “is reflected empirically in the hollowing out of the national state apparatus with old and new state capacities being reorganized territorially and functionally on the supranational, national, subnational and trans-local level as attempts are made by state managers on different territorial scales to enhance their respective operational autonomies and strategic capacities”.

Recently, most of the states tend to restructure and to transform in the context of globalization and regionalization (Farazmand, 2006). New state space and spatial state theory were born then, and it has appealed attention of fields: politics, economics and public administration (Brenner, 2004). Brenner (2004)p257 argues that "state institution may seek to influence the geographies of uneven spatial development through diverse political strategies including redistributive policies intended to alleviate social-spatial inequalities and competitiveness-driven, growth-oriented policies that intensify the polarisation of territorial development".

The proliferation of the literature on state spatial restructure and state rescaling kicked off and has been examined in many practical disciplines and many regions around the world such as territorial articulation at supra-regional level (Jessop, 2002, Gualini, 2006, Keating, 2013a), trans-national cooperations at regional level (Gualini, 2004, Su, 2012a, Su, 2012b, Su, 2014), territorial reorganization (Jonas and Pincetl, 2006, Pemberton, 2015) and politics of spatial policies in South Korea, Belgium and Hungary (Park, 2008, Oosterlynck, 2010, Varró and Faragó, 2016b). More concretely, scholars attempt to define 'rescaling as a complex set of political-institutional and social practice that put the spatial scale at issue in public policy and governance' (Gualini, 2006) or as refer the transformation of economic, social and political systems creates new spatial levels above, below and across the national state (Swyngedouw, 2004) the process of change of social regulation, collective action and representation from federal land to new territorial levels (Keating, 2013a). In historical context, the state scales are no longer stable, they become malleable and has been restructured in the policy trajectory, and it is understood as "a process of institutional reorganization" (Brenner, 2009). In globalization milieu as the present, there are more and more emerging inter-scalar tensions as strategically political super-projects at the supra-regional level, cross-border cooperation strategies at the regional level and local government restructure at the national level (Jessop, 2008). Brenner (2009) defined state rescaling in two periodization approaches: "policy trajectories and institutional reorganization" A significant volume of the literature on state rescaling is focused on policy trajectories in the detailed studies. In the second approach, most "authors trace the rescaling of state spaces within the region under study concerning the contested evolution of formal governmental institutions as well as emergent strategies of political-economic intervention." Fortunately, "these two approaches to the periodization of state rescaling are certainly not mutually exclusive." Indeed, if they are combined within "a well-focused, theoretical grounded research agenda" can be aggregated to complement each other in "both concrete and meso-level insight into the trajectories of state rescaling in different global regions and national state spaces." In short, the rescaling state is understood as a transformation process of space restructures of one, two or many state entities via their emerging political projects and strategies at different levels. It emphasizes on the central position of the state agency to response the transformation of territorial regulatory in the development process (Gualini, 2006) and to improve the administrative efficiency of state polity in economic restructures (Jessop, 2002,

Peck, 2002, Brenner, 2009, Su, 2012a). The author reckons that the multiscalar regionalism may be a new orientation for regional development approach in Vietnam.

Others refused the idea of the end of the state. They have argued that globalization has been exaggerated and that the countries remain high with crucial functions of governance. Indeed, it can not deny the close relationship between state and space. At first, the theory of the production of space by Lefebvre (2009) focuses on the production process of social space as languages, institutions within its territory. He assumes that the state and area interact with each other in a mutual constitutive manner, or it can not be denied the close relationship between state and space. It seems that the linkage between state and space is apparent in the differences between developing countries and developed ones.

Indeed, Lefebvre (2009) argues that the state has logic and spatial interpretation by its logic. In other words, the state is the representation of space. It can be explained as a natural space is administered, managed, and organized a physical space by state officials. Lefebvre (1991)p225 argues that “as the product of space, the so-called national territory, the State turns back toward its historical conditions and antecedents and transforms them”, and “the space produced by the State must be termed political due to its specific features and goals”. Lefebvre (2009)p226 claims that "state tends to impose rationality; it is own that has space as its priority tool. The economy is thus alternate in spatial terms a qualitative leap occurs the emergence of the state mode of production (SMP)". He perceived that "the articulation between the SMP and space is thus crucial; it differs from previous modes of production and their manner of occupying natural space; this rationalization and socialization of society have assumed a specific form, which can be termed as politicization or statism”. The author feels strongly that the influence of the state on the country's development is compelling.

In other words, the state supports and supplies relationships of the production process of space install its logic based on its privileges on its territory. It can be understood as the state's space that characterizes its ideology, its modes of production, its bureaucracy. In fact, the state has been established thank to the logic of social and economic space, and it continuously produces social space following its philosophy. In the other way of expression on post-modern states, Jessop (2008)p36 argues that the state is the site of strategy that creates a given form of regime, following economic and political policy. He assumes that it is also "a site where strategies are elaborated, but it cannot guarantee its substantive operational unity because the state is the site of class struggles and contradictions as well as the site of struggles and rivalries among its different branches" and "the "structure and modus operandi of state system can be understood" as production tools "in and through past political strategies and struggles". I am confident that the state always follows the goal of how to make a homogeneous country not only its public system or ideology but also its language and culture.

New state spatiality (Brenner, 2004) departed from relativization of scale or Inew political economy of scale (Jessop, 2002a), it can be understood as SMP of capitalist states in the context of globalization and regionalization. Jessop (2002)p183 argues that "the erosion of the relative

closure of Atlantic Fordism, the end of Cold War, the decomposition of the Soviet Bloc and the opening of China to foreign capital has reinforced the relativization of scale and created space for new economic and political strategies on the part of firms and states alike”. Jessop (2002)p179 proposed that “the new political economy of scale does not involve a pregiven set of places, spaces or scales that are merely being reordered; instead, new places are emerging, new spaces are being created, new scales of the organization are being developed, and new horizons of action are being imagined – all in the light of new forms of competition and competitiveness”. The literature review of Brenner (2004) on new state spatiality theory has been applied in many fields in many regions to explain the policy trajectory, political transformation, development processes. It is almost real and has been succeeded in research on most of the capitalist states that based on capitalist SMP. It seems that some socialist states could be cases for applying the theory of state spatiality.

However, although the state provides relation (social relations of production) with a calibrated spatial support (Lefebvre, 2009)p225, it clashes regional characteristics, historical imprint, and heritage of preexistent economic space. To explain more explicit about this, it needs to back the system theory of Kornai (2008). According to Kornai (2008), there are only two main types of the state system in the world: the socialist and capitalist system. Perhaps, at first, it is necessary to return to the distinctive character of capitalist and socialist system theory.

Kornai (2008) assumes that there are three main characters of state space, from a historical perspective, they are unavoidable traces from history. It had been performed much clearly before the Cold War. Indeed, the modes of production of space are typed into two primary structures: capitalist SMP and socialist SMP before the Cold War collapsed. According to Kornai (2008)p127, there are three principal characters of socialist SMP including: “a dominant role in ownership relations being public ownership”, “the dominant role in the coordination of socioeconomic activities being central directed bureaucratic coordination” and “a monopoly of political power is a Marxist-Leninist Communist Party”. It corresponds to three primary characters of capitalist SMP including private ownership as the dominant relation, the market as the effective coordination of socioeconomic and no political power as the monopoly of political power (Table 1 below).

From an academic perspective, the development of literature on system theory (Kornai, 1992) started on the socialist system more than 25 years ago and has been updated (Kornai, 2008, Kornai, 2016) widely applied in the post-socialist world in many fields such as market and socialism (Le, 2009, Li and Wang, 2009, Dimitrova-Grajzl and Simon, 2010, Vo, 2009), democratization and privatization (Kamela-Sowińska, 1995, Louzek, 2009), system transformation (Csaba, 2011, Csanádi, 2011) and its trajectory (Ramet, 2013). More specifically, Kornai (2008) attempts to define the term 'socialism' in five interpretations precisely and to update and classify system theories in a recent study (Kornai, 2016). While the transformation of privatization and democracy in CEE was quite peaceful (Csaba, 2003, Ramet, 2013), what

strengthened Kornai's theory was the emergence of China as the world's second-largest economy.

Table 1. The affinities between capitalist mode of production and socialist mode of production

Affinities	Capitalist MP	Socialist MP
A dominant role in ownership relations	Private ownership	Public ownership
A dominant role in the coordination of socioeconomic activities	The market	Central directed bureaucratic coordination
A monopoly of political power	No political power standing against capitalism, private ownership and the market	A Marxist -Leninist Communist Party

Source: (Kornai, 2008)

In fact, there have been many changes in state and system transformation after the Cold War. Kornai (2008) focused on the space of post-socialist countries, thus generalizing the structural characteristics of these post-socialist countries. Like capitalism, after the end of the Cold War, each capitalist state chose a different direction and sought out and produced different characteristics, the same to socialism, North Korea, and Cuba go in the direction of dictatorship, Eastern European and Central European countries towards democracy, Vietnam and China remains a question mark for researchers. In other words, when the capitalist SMP creates many different branches, e.g., northern European economies are different from those northern America economies (Kornai, 2008), the socialist SMP also creates its diversities as the differences between Vietnam and China. Moreover, instead of public policies and development policies as secondary characters of the systems (Kornai, 2008), they are more and more essential and influences powerfully on the system transformation as the cases of EU, IMF, and WB.

Not discussing yet how the space of nations is changing in the context of globalization and not debating yet to answer Janos Kornai's question what the real characters of these countries (China and Vietnam) are, the essay only perceives the change of the state space or the replacement of spatial hierarchy of the SMP in case of Vietnam. The author puts a question of how the Vietnamese state expresses its characters on its territory mentioned above?

It is often said that the region under the prism of scale is fixed to analyze the above state space system. According to Paasi (2004), a scale is not set, separate levels of the social world but, like regions/places, are structured and institutionalized in complex ways in de/reterritorializing practices. Discourses may be partly concrete, powerful and bounded, but also somewhat unbounded, vague or invisible. He assumes that scale even exists and may be destroyed or transformed into social and political practices and struggle. The institutionalization/

deinstitutionalization of region, place, and scale are, in fact, inseparable elements in the constant process of regional transformation.

In fact, many researchers found that the region under the prism of the scale was practised widely in European countries after the Cohesion policy has been implemented. The Cohesion policy has been a reliable resource for all European nations in rebalancing regional disparity, in building infrastructure in new country member and structural transformation of the state. However, McCann (2015)p79 emphasizes that the aim of EU Cohesion Policy is perceived to help regions facing fundamental changes and problems instead of its redistribution function from the more prosperous state to the poorer ones.

Therefore, some significant questions are put by policymakers why some nations are prosperous, and others fail in regionalization and globalization processes? Are political ideology, state's bureaucracy, and public administration the decisive factors of state's transposition in globalization context? As far as political ideologies and commitments, Kornai (2014) argues that there is a significant transformation in changing the state's ideology, political structure and the emergence of privatization after the Cold War. The state's ideology and the coordination of socioeconomic activities become more diversity than before due to globalization. However, public administration system has become more convergence due to regionalization (Knill, 1998, Kettl, 2000). To adapt well to the supra-regional regulation framework, Farrell (2006) argues that individual state public administration should be involved at an earlier stage before the commitment to enter into a regional integration arrangement. (Farrell, 2006)p208 "The modern state interacts with the international system to a significant extent, and this is true for both rich and poor countries" when "public administration is the implementation of policy within a state framework." The essential stability among the judiciary, the legislature, and the executive branch of government is threatened, as laws and policies decided outside the territory of the state must now be implemented within the political jurisdiction of the state by the public administration arm of the national political authorities (Majone 1996 (Farrell, 2006)p209

Beyond contemporary regulatory regionalism and multi-regionalism, some scholars would believe that building state capacity, reforming national public administration, changing private state institutions should be perceived from below. There are three approaches in identifying the characters of public administration system or administrative traditions, including historical institutionalism, culture and state traditions (Painter and Peters, 2010). Most would assume that all of them have some similar characters in a space approach. Coming back the theory of the production of space, the cultural and historical institutions, language and manner features can be overshadowed by periodization or state's strategies. However, their values and core foundations of territories could not be denied. Lefebvre (2009) affirms that "the national territory is a physical space like canals, roads, railroads...therefore it is material-natural space of human generations. Besides, languages and culture established as social production of space. The state as the production or the child of space, it "acts by the schema: it homogenizes, it fragments and hierarchies." It superimposes or installs its ideology, bureaucracy in its way. Although it is

challenging to neglect the close relationship between the state and space, each mode of state only periodize in a particular stage.(Painter and Peters (2010))p4 assumes that the initial choices of a program create a pattern and pattern dependencies seem to be built in this system. In another approach, it would be believed that there is a link between the pattern of behaviour and broad cultural patterns (Painter and Peters, 2010). It is understood that the foundation of culture and models of behaviour influences on the operation, efficiency, and effectiveness of public bureaucracy – the central institution of the state.

Therefore, the author strongly feels that the endogenous approach for the state may be the second for rescaling state, particularly in some post-communist countries like Vietnam. The goal of the second approach is to promote the perception of the influence of the state on the space and vice versa.

2.1.3 Regionalism in light of the European Union

In the context of globalization and regionalization around the world, the re-establishment of the European Union (EU) has created a new growth impetus for regionalism and regional policy in Europe. Besides its main functions to ensure peace, prosperity and common prosperity in Europe, EU is positioned as a critical structural unit for decentralization, financial support, and administrative system restructuring. It has three meanings for the development of Europe: firstly, support for the re-enactment of European territory, one of the fundamental principles of EU solidarity; Europe's regional dislocations, support for restructuring some degraded and degraded industries; third, increasing the endogenous development of European territories.

By the 1970s, prosperous regions have seen opportunities from cheap labour, better investment opportunities in less developed regions. However, the unit of analysis is limited; the available data are not sufficient. A typical example was a golden triangle connecting South East England, the Ruhr, and the Paris on European prosperity. In 1990, as new studies drew more complex maps of regional disparities in Europe, the need for a reshaping of European economic space became apparent (Keating, 2013a).

Since the 1980s, the formation and development of the European Union with the transformation of the European economy from Fordism to post-Fordism, from large commodity production to a new smaller more diverse and technologically advanced industrial revolution which entails a series of the restructuring of economic rules (Pike, 2006). Parallel, Europe is changing perceptions in economic governance, new relationships between the centre and the periphery, the change in resources, the market integration that are shaping European territory (Keating, 2013a).

Regionalism has been a first initiative for institutional reform in many European countries to adopt the European Union's regional policy, and internal state restructure. In another point of view, regionalism was formed in Europe with many goals. First, it helps to locate regional

economic units to maximize overall output and maximize production specialization. Second, it helps to change local perceptions and receive regional disparities support from the EU.

"Regionalism is understood as the creation of a new level in state territorial organization; the establishment of the new institution, which can vary widely with regards to type, responsibility, and power, yet always established above the level of existing local institutions. They can be defined in a very flexible manner, and include regions that are only subordinated levels of the central government, or, in the narrow sense, an expression where a region is a territorial authority, which can be further differentiated according to its constitutional status (Marcou, 1998)."

At the beginning period, regionalism in the European Union is a fundamental condition for statistics and overall assessment of the regional structure. Before joining the European Union, all candidate countries are required to define appropriate statistical territorial units according to the classification applied by the European Union. The classification of statistical regions is determined according to the NUTS methodology, stipulated in Regulation (EC) no. 1059/2003 of European Parliament and the Council decision on the establishment of a standard classification of territorial units for statistics. The NUTS classification should be seen as a common denominator for collection, processing, analysis and dissemination of high quality, timely and unbiased statistical data and information for reducing regional disparity. Based on data collected in this manner; it is a foundation for decision-making or further analysis.

Regionalism in the EU is the basic unit for the development support of regions in the country. It is the individual choice of each state or a choice of national, regional policy. Although there is a difference between the local policy of the European Union and domestic, regional policy, regionalism allows for the recognition of a regional dimension, thereby making the region a sort of universal institutional reference point.

The process of regionalization has also encouraged European's member states to develop regional dimensions. It is established to build a new coordination mechanism dealing with issues relating to regions such as recognition of provincial matters, reducing regional disparity and developing areas. This new coordination mechanism has been systematically changed from national strategy at central government orientation to data collection system at the local government with standards required by the European Union. Notably, the coordination mechanism has been changed powerfully in the public sector and local public administration.

As for the multi-level regionalism in the European Union, the multi-level regionalism is understood as variations of the MLG that shape the structural change in the regional economy. Piattoni (2016) argues that there is a three-dimensional analysis of space, includes international cooperation, subnational renewal, and transnational mobilization. The first dimension is understood as cross-border cooperation, the second is understood as territorial policy, and the third is perceived as political mobilization.

Historically, in the early years of the founding of the EU, the need for a suitable statistical unit for all EU countries was extremely important and necessary. Regional economic statistics are used in local differences assessment, planning, implementation and reporting of activities of structural funds. Sub-national regionalism is conceived as regional accounts for all countries within the EU and is a reference source for nations in the process of applying for EU membership.

Regional accounts have a history of several EU founding states. The formation of Gross Value Added (GVA) and Gross Fixed Capital Formation (GFCF) has about 20 years of experience from several EU countries. It is understood as the regional specialization of the nation, and the European System of Accounts (ESA) regulates the system of regional accounts. It is currently governed by the Eurostat guidelines as a reference framework for countries.

The change in decentralization to regional accounts of EU member states is also changing that with the goal of European integration. The emergence of new power from the creation of new territorial boundaries has, in part, reduced the centrality of the national government and increased the strength of the regional economy. The strengthening of the support of EU resources to regional economic units is aimed at two objectives: first, to activate the multi-functional interaction of the territory or, in other words, to rebuild the region partnership; secondly, to restructure the particular functions of the region or in other words to modify the regional structure (especially with industrial areas of degradation).

According to Piattoni (2016), new forms of functional cooperation are thus formed, new institutional strands have been created that appeal to social groups and redirect their expectations. Although the activation of new functions produces positive and negative externalities, it is understood as inevitably political spillovers.

Therefore, the author feels that regulatory regionalism may be a bridge between multi-level regionalism and state rescaling. In another expression, regulatory regionalism may be a new orientation for countries to adapt to the changing globalization. Moreover, how the European Union's member state apply regulatory regionalism can be an excellent approach for other countries to learn, to follow and to develop themselves. To sum up, the regulatory regionalism in light of the European Union may a third approach for applied regional development.

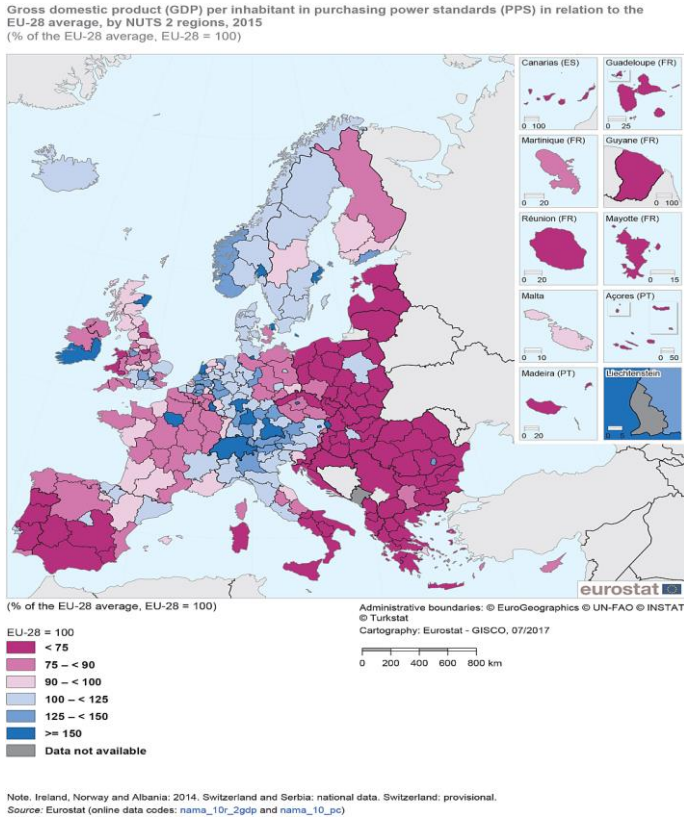
2.1.4 Regional development policy in light of the European Union

The establishment of the European Union has created a new impetus of territorial cohesion and state restructure in Europe. The perspective on the territorial structure is essential for policymakers to take competitive advantages of the territories and to decrease its territorial disparity. The European Union is a vast territory with high socioeconomic diversity. The European Union's active development with the addition of 13 new members since 2004 has created a new European Union with a high level of heterogeneity. In the 1970s, when the EU began to evolve regional policy, the need for a map for the regions in Europe, as mentioned above was so great that a common framework for development goals was elaborated. This map has become a kind of compass for the member states.

It led to the establishment of the Nomenclature of Territorial Units for Statistics divided into three regional levels: NUTS 1 (German Lander), NUTS 2 (French regions), NUTS 3 (French department) and two local levels (NUTS 4 and NUTS 5). The objective of the division into three regional standards was to have a uniform hierarchy of increasingly smaller areas (Casellas and Galley, 1999).

The difference in population and territory at the same level is enormous. For instance, "at NUTS 1 level, the largest region, Sweden is 2,055 times bigger than the smallest one, Brussels/ the most populated region of South East (UK) has 708 times more inhabitants than the least populated Ahnemanmaa / Aland. At the NUTS 2 level, the numbers are respectively 5143 and 434. At NUTS level 3, they are 9890 and 406"(Casellas and Galley, 1999).

Until 2014, the EU is known to have 28 member states compared to the EU-15 with the accession of countries by 1995 and the accession of 12 countries joining since 2004 onward, and finally Croatia in 2013. EU heterogeneity is very diverse because Luxembourg has a national per capita GDP of €66000, Bulgaria and Romania are just €11000 (McCann, 2015).



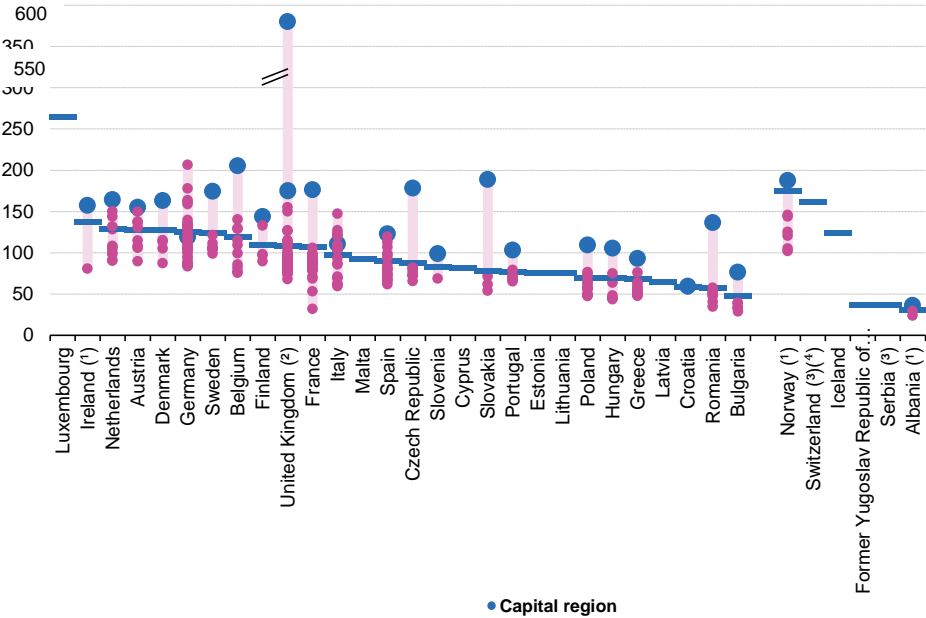
Source: European Commission, 2017

Figure 1. The GDP per inhabitant in the EU by NUTS 2 region in 2015 in map

From the figure above, it was evident that the 124 NUTS level 2 regions have a GDP per capita increase between 2007 and 2015, while 152 areas have been reported to decline economically. The areas with the highest GDP growth were recorded, such as London-West, Bucuresti-Ilfov (Romania), Bratislavský Kraj (Slovakia) and Mazowieckie (Poland).

The figure also shows the fertile regions running from Northern Italy, up through Austria and Germany before splitting in one direction towards the Benelux countries, Southern Ireland, and the other direction to the Nordic States; other pockets of relatively 'rich' regions, in the south of France, in the north-east of Spain, or north-east of the United Kingdom. The impoverished areas are running from the Baltic States to the Iberian Peninsula. In addition, there is the formation of metropolitan areas developed as islands around the same more impoverished regions.

Despite the high homogeneity between GDP regions of member states, there are pertinent rules for economic activity in the EU. GDP per capita is the fastest growing in all areas of Bulgaria, Hungary, Poland, Romania, Slovakia and the 3 Baltic States Member States. Most of the regions in Belgium and Germany are recorded to experience a rise in the living standards. In contrast, the countries where slower growth than the EU28 average was noticed, including Greece, Croatia, the Netherlands, Slovenia, Finland, and Sweden.



Source: European Commission, 2017

Figure 2 The GDP per inhabitant in the EU by NUTS 2 region in 2015

The figure above also shows a deviation in wealth creation in EU28, which was only recorded after the entry of the new Member States since 2004. Further research results indicate a large number of regions. The EU Member States have a relatively low average GDP per capita. These areas are noted by old industrial centres that no longer adapt to the rapid changes in the economy or are experiencing structural change due to heavy industry and degradation. Living standards such as Prov. Hainaut and Prov. Luxembourg, northern and eastern France (Picardie,

Champagne-Ardenne, and Lorraine), or the United Kingdom (West Wales and the Valleys, the Tees Valley and Durham and South Yorkshire).

After the global financial crisis of 2008, there was a divergence in the per capita GDP of capital cities and other parts of the country. The EU's cohesion policy has become more important than before. Many of the eastern regions of the EU are deeply affected by the global financial crisis, but they also show a remarkable improvement in their living standards in Poland, Romania, and Slovakia. In particular, the impact of the crisis strongly impacted the southern regions of the EU.

Historically, the EU's regional policy started in 1960 as an outcome of area-target practice in the ECSC Treaty (McCann, 2015). From 1958 until 1975, it was widened to ensure a harmonious development to reduce the differences existing between various regions and the backwardness of the less favoured region from the Treaty of Rome in EU6. It comprised of three primary tools; Structure Fund (SFs), European Social Fund (ESF) and European Agricultural Guidance and Guarantees Fund (EAGGF). From 1975 to 1986, its objectives changed to be more harmonious, balanced and sustainable to deal with the regional development of EU9 and EU12. It continued with the Single European Act and added more Integrated Mediterranean Program tools. Between 1986 and 1999, it transformed a little to prepare the ground for the completion of the single market project in EU12, especially in the 1992 EU Treaty to become the Cohesion policy. In the period 2000-2006, there was a preparation of enlargement and mighty strength in economic and social cohesion to become EU22 based on 1999 EU Treaty of Amsterdam. Then, the EU regional policy had become a primary tool for enlargement in EU that consisted of SFs (second reformed), Cohesion Fund (CF), European Regional Development Fund (ERDF), EAGGF, Pre-accession assistance (Phare), the Special Accession Program for Agricultural and Rural Development (SAPARD), the Instrument for Structural Policies for Pre-Accession (ISPA). From 2007 to 2013, EU regional policy focused on three primary goals (1) convergence, (2) local competitiveness and employment, (3) European regional cooperation in Treaty on the European Union (TEU) and Treaty on the Functioning of the European Union (TFEU). In the period it comprised two primary tools: SFs and CFs in EU28. Since 2014, the EU regional policy has become multi-goal tools with 11 priorities: (1) strengthening research, technological development, and innovations, (2) enhancing access to and use and quality of information and communication technologies, (3) enhancing the competitiveness of SMEs, (4) supporting the shift towards a low-carbon economy, (4) promoting climate change adaptation, risk prevention and management, (6) preserving and protecting the environment and promoting resource efficiency, (7) developing sustainable transport and improving network infrastructures, (8) promoting durable and quality employment and supporting labour mobility, (9) promoting social inclusion, combating poverty and any discrimination, (10) investing in education, training and lifelong learning, (11) improving the efficiency of public administration. At the time, it has six principal funds: ERDF, CF, ESF, European Agricultural Fund for Rural Development (EAFRD), European Maritime and Fisheries Fund (EMFF) and European Structural and Investment Fund (ESI).

Table 2. The history of EU regional policy

Stage	The number of Union's member states	Objectives	General Policy Framework	Instruments
1958-1975	6	- To ensure a harmonious development, to reduce the differences existing between the various regions and the backwardness of the less favored regions	Treaty of Rome Single European Act	Structural Fund (SFs): European Social Fund (ESF) European Agricultural Guidance and Guarantees Fund (EAGGF)
1975-1986	9-12	- Harmonious, balanced, sustainable development - To deal with regional development of Union's member states	Single European Act	SFs European Regional Development Fund (ERDF) Integrated Mediterranean Programmes
1986-1999	12	- Harmonious, balanced, sustainable development - To prepare the ground for the completion of single market project	Single European Act (amended) - 1992 EU Treaty	SFs (first reformed) Cohesion Fund (CF) ERDF
2000-2006	22	- Preparation for enlargement - to strengthen economic and social cohesion within the EU	Single European Act (amended) - 1999 EU Treaty (reform)	SFs (second reformed) CF, ERDF, EAGGF Phare, SAPARD, ISPA
2007-2013	28	- Convergence - Regional competitiveness and employment -European territorial cooperation	TEU TFEU	Structural Funds Cohesion Fund
2014-2020	28	-Multi- goals	TEU	SFs, CFs, ERDF EAFRD, EMFF,

Stage	The number of Union's member states	Objectives	General Policy Framework	Instruments
			TFEU	ESI

Source: Edited by the author

After the global financial crisis of 2008, the place-based approach is a new policy direction for the EU in an application of the MLG framework. According to Barca (2009), this method is based on two primary objectives: efficiency and equity. Efficiency reveals the optimum potential of a location or region where equity means equal opportunity for individuals regardless of where they live. "Place-based approaches emphasizes that institutional issues regarding many aspects of governance are central to questions of development and how such issues can best be responded to" (McCann, 2015)p8.

It seems that the rationality of efficiency objective can be achieved in many different ways. Many scholars argue that "one size does not fit for all" and local knowledge on local contexts may be the key to the local economic problem. In other words, local knowledge is the factor to establish a local institution (Barca, 2009). Barca (2009) also argues that efficiency depends on local adaptability in practice, and there are no recommendations on social capital and for building trust. Place-based concepts are a new step toward traditional development policies. She does not think that the state knows better development issues because of the lack of state information. The place-based approach can help to design a model for minimizing this information gap. Accordingly, local activists need to be actively involved with exogenous incentives, and Barca (2009) recommends policymakers at supra and local levels, there is a demand for retention of a common framework in guidance, assistance, and monitoring.

From the in-depth perception of territorial disparity, the regional policy of the European Union has been one of the most critical policies in Europe. EU regional policy is designed to foster solidarity and cohesion in Europe to support the Europe 2020 agenda. It means that each region can achieve its full potential in reducing inequalities such as social deprivation, poor-quality housing, healthcare or education, unemployment or inadequate infrastructure. Injustices can be derived from many factors such as geographic remoteness or sparse populations, social and economic changes, or the legacy of former economic systems. European policy planners strive to awaken and promote the potential of the region, increasing the living standards of the regions and quality of life towards the EU's average goal, and improving the accessibility services to enhance regional competitiveness and to protect the local environment.

To sum up, the European Union's regional policy has been built and developed powerfully from the territorial perspective and the development orientation of regional structure in Europe. Therefore, the development approach based on the territorial structure is one of the most crucial orientations for building state capacity for regional development in almost all of the countries around the world. Together with that perception, the author reckons that the development

approach of the territorial structure may provide one of the most important goals in the scope of the thesis.

2.2 The situation of state rescaling in the European Union

Taking the European Union as a reference, with the transformation from Atlantic Fordism to neo-liberalism, each European countries has to follow different neo-statism or neo-corporatism strategies (Jessop, 2002). The Cohesion policy was born and developed powerfully as an inevitable tendency to articulate the territory, to consolidate supranational regime, to advance a common market and to promote a globally political position. According to the European Union, regionalism and regional policy have been a reliable resource for all countries in rebalancing regional disparity, in building infrastructure in new country member and structural transformation of the state.

The policy has also created a powerful impetus to the wave of state rescaling in many European countries. However, after many succeeds and fails of the countries in implementation and restructuring of state based on external resources as Hungary, Poland, China..., it is necessary to look deeply and carefully at culture and resources to make more sense of inner political and public administration systems itself to mobilize the capital effectively and to create the transformation of the economy more obviously.

A first reference identified is whether administrative tradition and state institution are the decisive factors in applying the regional policy and vice versa? In order to perceive more clearly in the European Union, the author puts two related questions:

- How many categories of traditional logics or state administrations in the European Union?
- How many EU's member state in each group, and what are their characteristics?

Therefore, the author tried to build administrative tradition categories in EU are referenced in adaption with the EU's Cohesion policy to light EU's regionalism and regional development policy.

Another reference identified is how each EU's member state adapt the EU's regional policy? For each category, the author will choose a country randomly as a representation to study how they absorb the EU's regional policy in practice. In order to perceive more clearly, the author puts two related questions:

- How do representative countries respond to the EU's regional policy?
- How do these countries rescale their states to apply the EU's regional policy?

Therefore, the author tried to build some references of state rescaling in some EU's state members Cohesion policy to light an additional perspective on structural change of some European countries in EU in context of neo-liberalism process.

2.2.1 The macro-regional strategy – new territorial cohesion approaches

Recently, scientist is convinced that the macro-regionalism was established as a new variant of multi-levelled governance (MLG). In other words, it is a new instrument of European integration (Gänzle and Kern, 2016). It is known as macro-regional strategies as a strategic platform of reference for stakeholders to minimize the transaction costs of collective activities (Gänzle and Kern, 2016). It is defined as the new instantiation for increased trade, better network integration, improved environmental conditions, cultural exchanges. (Piattoni, 2016).

It seems apparent that the macro-regional policy has been established on three external factors: the EU's orientation by the Treaty of Lisbon in 2007, the fiscal limitation of EU economic crisis in 2008 and the heterogeneous EU as a result of the process of Eastern enlargement. Moreover, the macro-regional strategy has been formed of three internal elements: the geographic characteristics, the historical and cultural legacies, the active partnerships at the sub-national level. Therefore EU has emphasized the regional strategy model to create an integrative network (Piattoni, 2016).

Since then the process of macro-regional strategy has been realized in turn with the EU Strategy for the Baltic Sea Region (EUSBSR) in 2009, Strategy for the Danube Region (EUSDR) in 2011, Strategy for the Adrian-Ionian Basin in 2014, Strategy for the Alpine Region and the North Sea Region in 2015.

2.2.1.1 The similarities between administrative traditions and macro-regional divisions

It is my belief that there are certain similarities between the macro-regional strategies and the organizational cultures in Europe (Table 3). From the historical perspective, the administrative traditions are also shaped by national history, population development, socio-economic structure, regional structure, culture, and history. It can be seen that a significant similarity in the groups of countries classified according to the administrative tradition and the groups of countries included in the macro-regionalization strategy. Firstly, the Napoleonic unit is closed to the Adrian-Ionian Basin macro-regional strategy, the Scandinavian team is close to the Baltic Sea Region macro-regional strategy, and the post-communist group is close to the Strategy of Daube Region. The Corporate group is close to the Strategy for the Alpine Region. Finally, the Anglo-Saxon group is close to the strategy for the North Sea Region.

Table 3. Group of countries with macro-region strategies coincides with the administrative traditions

Administrative traditions	Macro-regionalism	Members
Napoleonic	Adriatic-Ionian Basin	France, Spain, Italy, Portugal, Greece, etc.
Corporate	Alpine Region	Germany, Netherlands, Austria, Switzerland, etc.
Anglo-Saxon	North-Sea Region	UK, Ireland, etc.

Scandinavian	Baltic Sea Region	Sweden, Norway, Finland, Denmark, etc.
Post-Communist	Danube Region	Hungary, Poland, Czech Republic, etc.

Source: Edited by the author

Inspired by the administrative tradition of Painter and Peters (2010) and multi-level regionalism from state spatiality theory of Brenner (2004), the author puts some related questions that whether the regional policy in general and the macro-regional strategy are affected by the administrative tradition. In other words, how does the culture of administration affect the effectiveness of European regional policy?

In about 30 papers studied and researched the results show that the formation of local governance structures, national governance structures, and territorial structures are strongly influenced by state or traditional logic or state administration. As will be seen below, it is found that the Napoleonic group consisting of France, Italy, and Spain has a large number of government municipality counties from over 8000 to over 13000. These nations have a powerful shift in national reconstruction and national governance in the context of neoliberalism. The territorial structure strongly influences the Anglo-Saxon group close to the North Sea Region, and the economic crisis of 2008 and their governance structure is quite similar and affected by economic policies. The corporate group within the Alpine Region strategy faced more challenges in restructuring state because of their organic systems.

2.2.1.2 Review of state rescaling of European states in the context of neoliberalism

In the context of globalization and regionalization, the re-establishment of the European Union has created a new impetus for the wave of state rescaling in many European countries. Moreover, in the context of neoliberalism, there is a devolution wave in European countries with the use of financial support to re-articulate European territory. The region has been positioned as a primary structural unit for devolution, for financial support and administrative system restructure. This point has three implications for the development of Europe: the first, supporting of the re-articulation of the European territory, one of the fundamental principles of EU solidarity, second, compensating for the disparity between the regions of Europe, supporting the restructuring of some industries that have been degraded, third, increasing the endogenous development of the areas in Europe.

By the regional framework of the EU, each country has the fundamental dynamics to restructure the state based on its development orientations, but they are fundamentally based on innovations, welfare, and workfare. The five groups of countries based on Painter's traditional administrative classification are classified, synthesized and evaluated (Painter and Peters, 2010). Almost all countries have changes in regional policy administration and delivery systems. In other words, the delivery power is reallocated across the administrative tiers or how states change the scales horizontally and vertically.

Napoleonic tradition states include France, Greece, Italy, Portugal, and Spain. The structural characteristic of this group is the centralization of the central government, creating powerful changes in the rescaling state in this category in the context of neo-liberalization. When Atlantic Fordism has been replaced in the last 20 years of the twentieth century, the neo-liberalization trend was consistent with the thinking and perception of their economies. The rescaling state supports the resonant agglomeration models with smaller orientation in this group, as in the case of France (Négrier, 2006). The distinctive character of this category comes from nations in Southern Europe, thus having fundamentally improved the countries' old corporate structure creating new impetus for the petit bourgeois in Southern Europe.

In other words, there is increased coordination at the national level in France, Portugal, Greece, through the restructuring of organizations (Yuill et al., 2008). The transformation of the state space in this group is most effective, because of the centralized state system and the fragmentation of local government (municipality statistics). Not only because of the Napoleonic mechanism or system, but these countries also have a massive advantage in system re-engineering owing to the smoothly changes in financial support mechanism, the availability of the fragile municipality system and easily regulated transformation in capacity regulations as the case in France (Négrier, 2006). The role of the state is evident in the process of transforming the state space. This group shows how easy it is to modify the governance structure. However, because of the ease of decentralization, this group is more likely to transform decentralization than to change the structure of the state (Table 4).

Table 4. Territorial government structure and rescaling results of Napoleonic group

	Level	Region	Counties	Municipalities	Robust structure	Rescaling (1995-2014)
France	4	25	100	36683	o	o
Spain	3	17		8114	o	o
Italy	4	19	110	8100	o	o
Portugal	3		308	4259	o	o
Greece	4	13	50	914	o	x

Source: Edited by the author

The corporate traditional states consist of Germany, Netherland, Austria, Switzerland. The structural characteristics of this group are the organic structure of the economic system, thus creating many difficulties in the structural change in the context of neoliberalism. German regionalism trial research was found to be unsuccessful because of the tightness and organic nature of the model of economic development. In other words, the transformation of public space is somewhat inappropriate in Germany because of the existing decentralized power structure (Fürst, 2006). Another example in Holland, although severely affected by the global

economic crisis, Holland still faces many difficulties in restructure state space with failures in 1996 (Salet, 2006). This group has a hard and organic structure that makes it challenging to transform the state; however, they are showing a surprising tendency to change the governance structure (Table 5).

Table 5. Territorial government structure and rescaling results of Corporate group

	Level	Region	Counties	Municipalities	Robust Structure	Rescaling (1995-2014)
Germany	4	16	301	11993	x	x
Netherlands	3	12		443	x	x
Austria	3	9		2357	x	o
Switzerland	3	26		2800	x	x

Source: Edited by the author

The Anglo-Saxon traditional group includes UK, Ireland. This group of nations emphasized on service-oriented management style. Perhaps the management style of this group has the origin from the British industrial revolution with London was a world economic centre where is famous for international trade. The trends of territorial reform or change of the state spatial hierarchy of these countries are also oriented by service style. The competitive pressure in the context of globalization also requires the group of the states to have structural changes in the state space. The establishment of nine RSA units in England in 1999 as regional planning agencies produced regional development strategies (Goodwin et al., 2006).

Table 6. Territorial government structure and rescaling results of Anglo-Saxon group

	Level	Region	Counties	Municipalities	Robust structure	Rescaling (1995-2014)
UK	4				x	x
Ireland	4	8	29+5	75+5	x	x
Iceland					x	x

Source: Edited by the author

The Scandinavian traditional group includes Sweden, Norway, Denmark, and Finland. These countries are well suited to regional policy in Europe for two reasons. First, these countries soon formed the Nordic-region agency to download EU concept and upload the Nordic idea into EU. Secondly, these states soon established promotional-adjusted policies for regions.

Thus, the strategy of maintaining and developing the territorial structure of the Nordic countries has a solid foundation in line with the neo-liberal context.

Table 7. Territorial government structure and rescaling results of Scandinavian group

	Level	Counties	Municipalities	Robust Structure	Rescaling (1995-2014)
Denmark	3	5	98	x	x
Finland	2		342	x	x
Sweden	3	20	290	x	o
Norway	3	19	430	x	o

Source: Edited by the author

The group of New Member States includes Hungary, Slovak Republic, Czech Republic, Poland. These are the countries that experienced the Communist Party rule and were heavily influenced by Soviet administrative model. After the end of the Cold War, the collapse of the Soviet Union, these nations transformed from the Soviet administrative model and socialist system into a capitalist regime just after a night and also created a political, economic and social breakthrough. In the process of joining the EU, most countries have been challenged EU regional policy for many reasons: territorial structure, outdated administrative system, history legacies... Therefore, the success of downloading the concept of EU regional policy for each country is very different. The results show that Poland is somewhat more successful than Hungary in regional structure governance reforms. It is argued that most regional development policies of them are too much ambitious, e.g., catch up with European standards, re-articulating with the EU, balancing disparity between parts of the country, and promoting growth in the context of neo-liberalization. It is argued that there are too many goals for a limited resource with little help from the EU.

Table 8. Territorial government structure and rescaling results of post-communist group

	Level	Region	Counties	Municipalities	Robust Structure	Rescaling
Hungary	3		19	3175	o	x
Poland	4	16	314	2479	o	o
Czech Republic	3	14		6249	o	x
Slovak Republic	3	8		2920	o	x

Source: Edited by the author

2.2.2 Some references of state rescaling for regional development in European Union

2.2.2.1 The situation of state rescaling in Hungary

As far as rescaling state for regional development in Hungary, the state of Hungary has many deep transformations in many fields. One of the critical but very urgent issues that brought many debates in public is reshuffling the state in regional development and adapting regional development policy to European Union standards.

Processes of regional development after Soviet Block collapse

After the Soviet Block collapse in 1990, there had been three significant changes in conditions of regional development in Hungary. Firstly, as many Central Europe countries, the transition from a state-planned economy to a market economy. Secondly, the structural and technological transformation of the economy had driven the decline of sectors like heavy industry and the rise of other sectors as knowledge-based industries, business services. Thirdly, there is an increased pressure to adapt to the consequences of globalization and external economic influences (Enyedi, 2004). As a consequence, the map of economic development had to be redrawn in a very profound way; a new form of spatial structure has emerged. The task of new challenges poses heavy pressures to the institution, economic sectors as well as individuals. In different parts of the country, local economies and social groups have reacted differently to the new processes. Successful regions have been able to re-adjust without delay, while large parts of the country have witnessed economic collapse, massive unemployment and impoverishment. The role of localities has been changed powerfully in attach with local conditions as local education, local resources and local institutions (Enyedi, 2004).

Progress under the European Union

New impetus of regional development in Hungary

From an external point of view, international integration processes have shaped Hungarian regional development in many ways. At the global level, growth cycles of the world economy and business policies of multinationals have played a more and more important role in the Hungarian economy. The developed regions have rapidly adapted to the fluctuations to integrate into the world economy. At the continental level, the European Union has become a new crucial external market of the Hungary economy with 70% of the share of all Hungarian exports. It has made a new international cities network across the European Union, and Budapest has become one of the essential nodes in the web. At the regionalization level, the scope for influencing and initiating cross-border regional cooperation is much higher when 14 out of 19 counties have an international border, and seven neighbour countries have economic relations to these Central European counties (Enyedi, 2004).

From the internal point of view, although many foreign partners have gradually replaced the Hungarian actors as multinationals, it has made a new massive wave of technology landing on the country. The availability of raw materials and transportation technology has transformed

basically the faces of all of the regions. The knowledge-based competition has made a new war of settlement competitiveness. New industrial sectors have been born promptly in a ubiquitous way. Almost all of localities have to mobilize their education, resources to adapt to the new situation that boom the economy as fast as possible (Enyedi, 2004).

Challenges to regional development in Hungary

Besides many opportunities from international integration, Hungary also has to face many emerging challenges. The main problem in regional development in Hungary is the gap between the east and west of the country. When the west harvested the advantages from the triangle Budapest-Vienna- Graz, the east faced the crisis of heavy industry sectors from the 1950s. Secondly, before and after joining the European Union, the development gap between Hungary, the average European level is a hard question for policymakers in Hungary. Inherited a vast legacy from the old socialist system, the new operators of the economy faced many crises with catching the EU average. Thirdly, as Czech and Poland, the difference between urban and rural areas has been emerging as an inevitable trend in development process along with rapid development trend of the capital Budapest with unipolar structure (OECD, 2010b). In comparison, there are many features like most V4 countries, Hungary trait development gap between regions, differences between the urban and the rural and large gap with the European average, however there are peculiarities Hungary: unipolar structure development as mono-centric structure, underdeveloped suburbs as severe periphery (OECD, 2010b).

Review of regional development policy since 1990

The introduction of the market economy has fundamentally altered the aims and the regulatory system of regional policy in Hungary. The unfavourable changes of the budget system have most adversely affected by the reduction in the former large-scale state subsidies. A new tax system has established with the abolition of agricultural credit and of state subsidies for local government that extend the development gap between under-developed regions and developed ones. In the early 90s, a government Decree (75/1991) on state grants for regional development as redistribution policy promptly failed with determining objectives as reinforcement of the backward regions and creation of new jobs due to some following reasons. Firstly, the absence of an overall regional policy strategy after the political crisis in the early 1990s inactivated the function of state management units. Secondly, the central control of regional development was divided along sectoral lines, and sectoral objectives were superior to regional concerns in government policies while the regional policy remained relatively weak in policy areas. As a consequence of the division of sectoral lines, there were missing links for valid coordinations among sectoral ministries in regional development, at the same time, there are more full ramifications of deconcentrated administrative offices in local government system in the autonomous and inevitable way (Gyula, 1998).

A new era of regional policy kicked off from legislations of 1996 and 2001. Firstly, the Act XXI of 1996 on Regional Development and Physical Planning was adopted in accordance with

the principle of the European Union by the Hungarian Parliament. The law regulates a new framework of planning, the criteria of eligible regions, budget allocation, the task of the central government, assisted organs for the central government. There are three advantages of this new regional policy as following. Firstly, the moderation of the negative phenomena caused by economic transition and market processes (unemployment, an increasing gap between incomes, differences in living conditions). Secondly, the elimination of the obstacles to the spatial penetration of innovation (service industry, technological renewal, integration into the European network economies). Thirdly, a cooperation, a clear division of labour and a development coalition of the central state, the local-regional communities, the public and private sphere (Gyula, 1998). The latter is the National Spatial Development Concept (NSDC) that understood as the first legitimate development policy document in the country that defined long-term overall spatial development objectives and provided spatial guidelines for the elaboration of spatial/regional programmes. The NSDC is to be reassessed every four years. Besides, the Act of local government 1990, Act of local taxes and Act of municipality association are adopted as the primary institutional framework of local development in Hungary (OECD, 2010b). The second National Development Plan (NDP) called the New Hungary Development Plan came into effect in 2007 and introduced eight sectoral and seven regional operational programmes (ROPs) In term of rural development, the New Hungary Rural Development Programme that according to Article 15(1) of Council Regulation (EC) 1698/2005 on support for rural development by the European Agricultural Fund (OECD, 2010b).

Forming and adapting European Union

Not as other countries in Central European, Hungary is the most ambitious country in regional development objectives: improvement of territorial competitiveness, the decrease of regional disparities, sustaining territorial development, heritage protection, integration with Europe, decentralization and regionalization. These policies are focused for several vital territories such as underdeveloped areas, specific rural areas, the development poles as Budapest metropolitan areas (OECD, 2010b).

Regarding structure budget, the main policy tools for these ambitious goals has consisted of two main sources: the central and decentralized Fund, the Structure and the Cohesion Fund from EU. Since EU accession, the mount of EU-related support has significantly increased while domestic support has decreased, and its fields of development have been narrowed.

Firstly, the amount of EU-related support is much higher than domestic resources. Hungary joined the EU in mid-2004 and has been allocated EUR 25.3 billion in the 2007-2013 programming stage. The Cohesion policy investment focuses on transport (EUR 7.2 billion, education and training (EUR 2.98 billion) and R&D and innovation (EUR 2.16 billion), particularly in regional growth poles according to the New Hungary Development Plan. Fifty per cent of the total available fund must come from a national contribution, thus a total of EUR 25.3 billion may be used for regional development. In addition to Cohesion Policy, the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF) provide Hungary with EUR 3.8

billion and EUR 34.3 million respectively. Besides, the Grow Pole Programme with EUR 1.7 billion for 2007-2013, was created (OECD, 2010b).

Secondly, domestic financial support has notably decreased in terms of scale and proportion compared with EU resources. The main types of domestic financial allocation directly serving regional development goals are Territorial and Regional Development Allocation (TRFC), Support for Most Underdeveloped Micro Regions (LEKI), Development Assistance for Territorial Balancing (TEKI) and Targeted Decentralized Assistance (CEDE). In 2008, they supported HUF 2.6 million for TRFC, HUF 5.9 million for LEKI, HUF 3.8 million for TEKI and HUF 4.2 million for CEDE (OECD, 2010b).

In term of governance structure, the nascent political system of spatial development was emerging from the 1996 Act through a complementary institution for regional and spatial development. Naturally, this emerging system did not challenge the old one, but they became to exist parallel together (Varró and Faragó, 2016a). The new establishment of the power system has been based on the weak system of sub-national representation, the lack of coordination as the weaknesses of the old form. Moreover, the prompt regionalization pressure of the European Union and the constant political debates on regional division also contributed to creating a light version of regionalization in Hungary (Varró and Faragó, 2016a). This version has been led by the central government including the Ministry of National Economy (MNE), National Development Agency (NDA) and by sub-regional actors as Regional Development Councils (RDCs). The NDA is responsible for the establishment of National Development Concept (NDC) MNE has the role in vertical coordination between the central government and regional development councils. RDCs acted as the high-level forum for coordination and is responsible for regional development programs and the distribution of related financial resources. Although Hungary received a large amount of EU financial supports, the new light version of regionalization and the centralized expenditure system of the central government could meet the demand of regional development as regional strategy makers (Varró and Faragó, 2016a). It has been called ROPs as mere sites where EU monies are being spent. These ROPs are designed by the objectives of the Hungary Development Plans. Recently, with the sweeping majority of new governing parties, the stronger centralization tendencies became more explicit, and the territorially balanced development is more questionable in the next period 2014-2020 when Hungarian government decided to allocate 60% of development funding to the centrally managed, sectoral Economic Development and Innovation OP and only around 15% to the two regional OPs (Varró and Faragó, 2016a).

Some challenges in the future for policy makers in Hungary

The challenges of local governance in legitimacy and efficiency requires rethinking the principles of local government system in Hungary. The demand to innovate the Hungarian public administration is urgent and necessary. The low performance of the public administration system is a clear signal of wrong structure that need to reshape, not only territorial rescaling or redrawing as at present. In the context of transition, the institution of the organizational and

operational framework should be completed at meso-level as NUTS2 of EU (Kovacs, 2011). In other words, the Hungarian state should consider seriously to synchronize presently regional development system and public administration system, may even merge them. This reform can be new progress in building regional and local management capacities that help the financial supports from the EU not only performed as sites where EU funds went through.

2.2.3.2 The situation of state rescaling in Sweden

As far as Sweden is concerned, the Swedish state is well known for the system of nations that followed the path of early capitalism in the opposite direction than the United States. Thirty-five years after World War II, many American journalists came to Sweden to learn about the country's welfare-driven model.

The strategic development policy of the Swedish state in modern history

The early 20th century was marked by severe conflicts between employers and workers in European countries. The Swedish welfare state model was established under these conditions in the 1920s. This tendency was also an important milestone for the Social Democratic Party in Sweden with its role in the Swedish welfare state. The three important achievements of the process are as follows: First, reform programs strived to develop friendly and harmonized relations between the farming class, the working class and the development policy. At that time, there was no profound separation in the capitalist society. The social classes such as aristocracy, landowners and farmers quickly gained important positions in the government. Instead of nationalizing farmers' lands, the policy was to protect small-scale farmers and encourage cooperatives. Second, the Social Democratic Party recognized the importance of cooperation to create financial resources for welfare reforms that had not socialized landowners. The extension of the welfare state was continued, focusing social policy and the expansion of educational opportunities, retirement benefits and health care for all citizens in both urban and rural areas, for both workers and farmers. The third achievement of the Social Democratic Party was the policy for the unemployed. It supported the expansion of bailouts and unemployment insurance as a strategy for the labour market and new reforms in public consumption (Koch, 2016).

The 1938 Saltsjöbaden Agreement was a new basis for a more pro-active role of the Swedish state in regulating the employer-worker relationship, the institutional basis for the new socio-economic model in Sweden. The government drew on a direct wage management mechanism that regulated the economy, ensured strong union and centralized employer organizations (Koch, 2016).

Furthermore, the wage Agreement in 1956 was an important step in regulating state rules based on the agreement between the employer's organization (SAF) and the trade unions (LO) to ensure the structural change of the economy, maximizing the strength of the labour force in a booming economy in Sweden. However, the gap in incomes in the sectors and regions has increased, and the government was constantly seeking solutions to reduce this gap, which was supported by trade unions. Wages were not proposed to ensure competitiveness, but rather balancing power between the capitalist and the working class. The Swedish government's "unity"

philosophy was a key objective of wage policy to ensure a gradual increase in income and to avoid fragmentation of the market. Not accidentally, the Swedish government maintains Keynesian principles in socio-economic regulation for the longest time in the world (Koch, 2016).

The fall of oil prices in 1972, the global economic crisis of 1974-1975 and the slow recovery of the capacity of the Swedish state prevented the welfare system from capitalization. Sweden was highly dependent on international trade, and as the demand of the world market declined, Sweden also had problems with traditional industries such as shipbuilding, steel and timber. With great economic hardship, the Swedish state restructured the economy vigorously. For example, due to the development of the world economy, Sweden's shipbuilding industry grew too. Then, due to the drop in demand of the world economy, Sweden's shipbuilding industry was also facing many difficulties. The Swedish state assembled shipbuilders in a more massive complex or larger enterprise, then slowly subdued the shipbuilding industry by a predetermined plan, while creating new career choices for shipbuilding workers to ensure employment policy. It also called as promotion-adjusted policy for regions (Silverman, 1980).

By the 1980s, the welfare state was still ensured in Sweden, and the robust corporatism in the industry was maintained with a goal of full employment and wage equality. More specifically, the central national-level collective bargaining was designed for growth strategy, employment and welfare regulation.

The change of history at the end of the Cold War in the late 1980s was a turning point for the development of the world. The historical development of the market and capital was dissolved and reconfigured in new territorial and spatial structures. Globalization, even localization, was fundamentally altering the global spatial arrangement. Scholars were also more interested in the rescaling of the State in new and more dynamic ways. The spatial dimensions of state rules no longer fixed objects but transformed into more sophisticated structures in the re-establishment of state institutions, emerging political forces (Brenner, 2004).

The Swedish government's management system has changed a lot since the early 1990s by enhancing the role of business companies in company-level wage bargaining to improve the competitiveness of employers. Nevertheless, these changes did not last long, and the state enhanced the changes in the economy towards upgrading high-tech industries and regions. Concerns about the collapse of the Swedish model did not come true in reality, although the policies that supported degraded sectors decreased, the presence of banks was for the restoration of the high-tech economy. A series of new institutions aimed at enhancing the high-tech capabilities of redeveloped industries at the regional level. Institutional infrastructure was also upgraded to build regional competitiveness for high technology. New education and training programs for employees to update new technologies were expanded in the educational system (Koch, 2016).

Its entry into the EU in 1995 created new competitive pressure for the Swedish industry. Sweden was more dependent on EU policies of the labour market or employment policies. The

European Union required the Member States to regulate the EU's common labour and employment mechanisms with a view to employment integration. With the aim of raising the capacity of European workers, this surprisingly was in line with the policy of raising the capacity of high-tech human resources in Sweden. During the years from 1994 to 2006, Sweden gradually transformed itself into a leading knowledge-nation. As a result, public investment in higher education expanded to increase the capacity of human resources and ensure competitiveness in the Swedish workforce. The role of the state with the previously unemployed philosophy was minimized, the state minimized its role in the economy. However, the rules on unemployment benefits and welfare were changed. With halved unemployment benefits, policies to support jobseekers were widened during the crisis of 1990s, noting that 5% of the workforce was recruited from these programs (Koch, 2016).

From 2006 to 2014, a new competitive labour strategy was implemented in Sweden, instead of supporting unemployment and welfare as before, the Swedish state transformed the social welfare model into a welfare model of employment benefits. Unemployment insurance benefits continued to fall sharply by 75%, with the number of benefiting days reduced to a maximum of 300 days. Citizens who receive unemployment benefits were understood to be people who lack the capacity to integrate into society and become the subject to the government's attention. To increase social cohesion for these citizens, employment benefits programs expanded exponentially. The Swedish welfare state was permanently re-established as a Swedish workfare state. Employment requirements for citizens became personal responsibilities (Koch, 2016).

Some features of the regional development management in Sweden

Thanks to the welfare strategy during the whole of the 20st century, Sweden has become the country with the lowest inequality of regional GDP per capita in the OECD member countries. The difference between the regional income gap and the regional disparity put Sweden into the smallest group in the EU. The picture of the countryside in Sweden is still excellent. The regional development policy in Sweden only adds more colour to the economic picture of Sweden. The regional policy in Sweden was initially shaped to address the structural problems of obsolete industrial development. With the participation of Sweden in the European Union, regional development policy in Sweden has profound changes in the governance structure following the EU Cohesion Policy and the EU Structural Funds. However, Sweden receives only a modest amount of funding from the EU, which accounts for only 0.09% of GDP. Sweden has several developmental issues such as how to connect urban-rural territory, or better mobilize the workforce, and how to diversify the rural economy or address fragmentation issues in regional development, green growth and climate change response (OECD, 2010b).

Another different feature in the regional development management in Sweden is that the Swedish Constitution regulated only two governmental levels: central and local ones. These are the primary roles in state management, while the state's function at the regional level has been fragile (Stegmann McCallion, 2007).

Since the state reform in 1862, the local government has defined itself as separated central management. They have mainly been responsive for tasks of health issues. The 81 per cent of the local budget has been offered to address the problems related to health. Sweden has a government that decentralized the most in the countries of the OECD for the problem of service management at the local level. However, the development plan or field have been still managed by the central one. Local government has not been allowed to discuss on the development issues and territorial planning.

After joining EU in the late of 1990s, the structure of power in the administrative delivery changed in the "experimented" region and a range of organizations at the regional level was introduced and implemented. With the wish for pushing ahead the regional development installed in EU orientation, Sweden developed three choices of regionalization in three different regions. They were divided into three phases (OECD, 2010b).

At first, the establishment of test areas in the three main districts: Västra Götaland (three counties including the City of Göteborg) and Skåne (with Malmö as its main centre) established regional election assemblies. This stage was described as a test phase from 1998 to 2002. The pilot project in Västra Götaland lasted until 2002, while the other two regions experimented with different institutional variations. Kalmar experimented with the indirectly elected regional council, and Gotland tested the regional function. At the same time, the Government Bill 2001 was issued with the common goal of creating functional areas of the full role and having a stable labour market that ensures service infrastructure in all parts of the country, but mainly focus on peripheral areas with weak capacity (OECD, 2010b).

Secondly, the Parliamentary Act of 2002 was issued with a mechanism for shaping regional coordination bodies if all localities agreed. The local councils became members of the regional council in phase 2 from 2002 to 2007. Up to now, 14 regional ordinating agencies have been set up, with the participation of 13 local councils. These agencies used EU members' funds and national funds, which are responsible for the coordination of regions and regional development (OECD, 2010b)

From 2007 to 2009, the regulatory regionalism was described as a more substantial demand from the localities. This motivation starts with the research recommendations of the future of regionalism. Although this reform has not yet been applied nationwide, since 2008, seven localities have actively merged, and the central government is examining the proposals of these localities. The central government recognized the need for a regional body to ensure coordination and reform at the regional level. The government, therefore, appointed committees to propose recommendations which could clarify the regional administrative structure and effective coordination mechanisms by 2012 (OECD, 2010b).

In line with the new strategy for competitive national labour, Sweden re-launched its regional growth policy in 2008, and the Swedish government has set a new focus on developing competitiveness for all localities. Until the national employment, start-up and regional competition

strategies were officially enacted in 2013, the economic transformation from a welfare state into a workfare state has become more and more pronounced in Sweden (OECD, 2010b).

2.2.3.3 The situation of state rescaling in Portugal

The economic changes in Portugal

Portugal's economic growth was relatively slow in the early 20th century. One of the reasons was understood as the overwhelming dominance of low-wage agriculture that limited the size of the market, slowed down industrial growth. After World War II, the economic recovery in Europe has been stepping by step, as a source of new momentum for the growth of the world economy, Portugal's growth was also faster after 1945 when the government policy actively encouraged industrialization.

However, crude production still accounted for 50% of the production in the Portuguese economy, while processing goods accounted for only 25% and other goods and services occupied 25% during the 1950s and 1970s. The economic sluggishness was one of the reasons for a large exodus (up to one eighth) of the population in the 1960s to the emerged western economies at that time. By the 1970s GDP growth had increased to 7.2%, but due to the oil price crisis, the trade deficit in the country was up to 35%, fueling domestic inflation. After the world oil price crisis, the Portuguese economy was severely affected, recovering only about 4% growth un 1978 (Lewis and Williams, 1981).

The formation of the European Coal and Steel Community, later the European Economic Community and the European Union, had a secure connection and contribution to the Portuguese economy. Portugal was one of the earliest countries joining the European Union since 1986, Portugal introduced the € as its currency in 2002. In the last two decades, the Portuguese economy experienced slight growth at the beginning of the 21st century with changes in investment perceptions, domestic demand, and private credit. However, this light burst quickly gave way to a slump, and the severe economic downturn prompted the country to embark on a tight fiscal watchdog program from its creditors. After the crisis, GDP fell by 7.9%; employment dropped by 13.4%, unemployment reached 17.5%, government bonds lost value, nearly 500,000 migrants left the country between 2011 and 2014, this has also been the most massive migration recorded over the past 50 years (Centeno and Coelho, 2018).

The signs of a recovery in 2014-2015 were still weak, but more clearly in 2016-2017, the fiscal deficit fell to 2% of GDP, and 0.9% in 2017 was the lowest in history, the unemployment rate went down to 7.4% in 2018 which means the lowest level since 2004, and jobs continued to widen, thus signalling a sustainable recovery trend (Centeno and Coelho, 2018).

The state restructure in Portugal

In line with the European economic change, the economic policy has changed a lot in European countries, the relationship between the central government and the localities was

reconstructed in the Southern European countries in the transition period of the economy. Although the democratic movement has been relatively well that established in many places, the historical legacy of the political clientelism system and state repression had remained unchanged as a critical force of social power (Syrett, 1994).

The tendency to restructure the role of the state was increasingly evident in changing the function of continental, national, regional level. In the Southern European countries, the decentralization trend was most pronounced in Spain in the early 1980s, followed by Greece and Portugal. The power of localities was increasingly expanding in Southern European countries on fundamental service issues for the people and economic development. Local governments had become vital forces in mitigating local social tensions and connecting local social groups.

The influence of the European Commission has also been broadened with the signatures of the Single European Act, which was established in 1986. The Council of Europe headed a series of critical issues emerged to perfect the European common market. This effect was evident in Southern European countries. In order to maintain the financial support from the EU and because of the strong influence of the European policy, these countries had to review existing national systems in order to adapt and develop new strategies with European markets. The impact of economic liberalization also strongly affected EU member states as they were required to abandon the domestic protection policies, promoting economic development from the SMEs forces.

In the process of restructuring the economy and changing the meaning of these relations between the state, labour, and capital, the central government sought the way to redefine its role. Despite an extended period (1933-1974) under the rule of Estado Novo, the local government acted as a central state administrative unit with few policy-making powers. The Constitution came into effect in 1976 that has fundamentally changed the local administration. The Local Finance Act (1979) also provided a new basis for local government in the whole country. This law granted financial autonomy to local authorities through the establishment of financial availability to carry out local responsibilities and assert their rights to manage financial resources (Syrett, 1994).

In the reform years since the 1980s, the central government encouraged the participation of the private sector in Southern Europe. Although the welfare state has never been presented in southern Europe, welfare policies were continually expanding positively. The regional policy also tried to initiate a series of efforts to promote, regulate, and increase flexibility in local endogenous development (Syrett, 1994).

The process of European integration projects partly contributed to the Portugal crisis. These projects that aimed at reducing the gap between European countries with a "one fits for all" model did not take the resilience of the economy, the differences among the capitalist models into account. They had contributed to the emergence of new growth models among EU member states which were much different with the first orientation from EU policy. For

example, the banking sector in Portugal had been transforming so rapidly that it has failed to overcome the competition problems. The issue of central government financialization, the question of adaptation to local government integration, the pressure of significant institutional change, the problem of rising debt growth were inseparable from the Single European Act of the EU for Portugal. The widening gap did not only occur in the Eurozone but also in other peripheral regions when EU integration policies implemented. The EU integration policies can produce a variety of development models because of differences in the institutional arrangements of member states, although the EU tried to improve its broader and more systematic policy framework (Dooley, 2017).

Not only through reconstruction programs to improve the competitiveness of the economy, macroeconomic policies following the recent economic crisis in Portugal aimed at restoring the confidence of businesses and consumers including solutions to the financial system reform, internal support policies and strict management of public finances, but the Portuguese economy also has a foundational basis for development in the near future (Centeno and Coelho, 2018).

Restructuring regional economic governance in Portugal

The 50-70s of the last century marked the development of the region in Portugal as a result of the industrialization of southern Europe and North America, resulting in regional disparities in the periphery of Europe. This process also changed the rules of regional development in the United States (Lewis and Williams, 1981). The regional differences in socio-economic conditions in Portugal were interpreted as the historical result of the distribution of social production. In this period, there was evidence that areas' specialization shaped as the contemporary investment decisions of capitalist production.

The formation of regional development in Portugal emerged in the two cities of the Lisbon in the southwest and the Porto in the northwestern Atlantic. This formation also created a growing disparity between the western urban sprawl and the dwindling rural population in the east. However, the regional gap was not reflected in GDP per capita, but it was performed in the unemployment rate, educational commitment, and technology competition (OECD, 2010b).

The revision of the governance framework in order to align with the Structural Funds within the EU's regional policy created a new orbit within the Portuguese regional policy framework. At the regional level, there were no elected state bodies in the mainland, only two Arozes and Madeira regions were elected. Under the Constitution, these regions could be established in the continent if the referendum was approved, but the first initiatives of the policy were rejected in 1998. The five areas in the mainland were developed with the objectives for planning and implementing Structural Fund (SF) management policies. In these regions, the central government assigned the local development fields to the regional coordination commissions. These agencies have acted as central government agencies, which were the

extension arm of the Ministry of Natural Resources and Space Planning. Since 2006, under the administrative reform framework, other ministries were also restructured and placed their offices in similar locations as the Ministry of Natural Resources and Space Planning did. By 2008, the Portuguese government gave more power to local authorities. The new law 2008 aims to harmonize local public investment by different incentives such as local property taxes or EU global aid for management (OECD, 2010b).

After decades of change, EU policy has transformed Portugal's development strategy in repositioning the regional plan of reducing regional disparities and growth targets. Portugal also attempted to increase regional competitiveness to maximize national growth and reduce regional variations. Nevertheless, contrary to the objective of reducing regional differences in the country and reducing regional disparities in living standards of the EU's regional policy, the expenditure and allocation from EU supporting funds to these countries created more divergence in the general rule of living in Europe. Especially, Portugal and Greece were two typical examples. These countries are located in the Eurozone, and their wasteful expenditure created more significant flaws in the EU's living standards gap (Petmesidou and Glatzer, 2015).

2.2.3.4 The situation of state rescaling in United Kingdom

The UK is an extraordinary country with differences in territorial development policy from the rest of Europe. The divergence of the regional system in the UK is a very different case of the structural change in Europe.

Like the rest of Europe, the redevelopment of a European territory after World War II in order to ensure peace and prosperity for the continent is essential. However, in 1973 the United Kingdom officially joined the European Union. By the 1980s, the development of the European economy was slowing down; almost all countries changed their development patterns to suit the situation. In this period, England under the guidance of Prime Minister Margaret Thatcher followed the trend of liberalizing the economy with a more efficient management philosophy such as "businesslike" corporate governance that was utterly different from the philosophy of the development of the Nordic countries. With this philosophy, the state system in the UK is deployed in the direction of public service or service-oriented approach.

The different paths for member states

The reform of state-owned structures was not considered in the UK until the late 1990s. The United Kingdom, under Prime Minister Tony Blair, has made many changes to Britain's territorial governance system in favour of stronger decentralization and asymmetric decentralization. Territorial divisions and national powers are divided in inconsistent ways, bringing with it many doubts in the political system. In fact, this substantial decentralization of the United Kingdom has also resulted in fragmented outcomes for member states.

Restructuring the state system in the United Kingdom gives more power to member states and member states to use this decentralization policy to create new levers in economic

governance. Despite the UK's territorial restructure policy to empower localities, the orientation of member states is very different.

Restructuring the economic governance restoration system in Wales.

Following a drastic decentralization process from the United Kingdom, the First Wales Assembly was elected in 1999. In theory, Bob Jessop has affirmed the distinct capacity of social forces to pursue their interests through Different strategies will depend on the relationship between the state structure and the strategy that these forces intend. In the case of Wales, the Welsh government decided that there was only one way to ensure that the strategies chosen were to regain power from the decentralized units (hereafter ELWa) to create an internal politicization of the economies and the societies. Kevin Morgan affirmed that all roads lead to the Wales Assembly, the Wales Assembly will redraw less-democratic Wales and a more centralized society (Goodwin et al., 2006).

The restructuring of Wale's economic territory was given to ELWa (Agency for Capacity Development), and the Agency for Economic Development, which is understood as the arm length unit of the state for its purposes as well as the other economic development organizations is how to improve skills and learning capacity for the workforce and to create a sufficiently skilled and entrepreneurial population class. Its difficulties, however, do not come from outside pressures, not from the economic power but the source of the organizations, its relationship, and its coordination with other organizations. The agency itself is an integration of 6 different divisions, and it is also operated by six different cultures, even people do not understand its function. Too much scepticism about the operation and role of ELWa was created in the political system of Wales. In 2004, the Welsh government decided to exert control over economic development instead of using the ELW unit because of the risk of failure of the unit (Goodwin et al., 2006).

Decentralization in economic governance in the UK

The decentralization in economic management in the UK was driven by the establishment of nine regional development agencies in 1999. Unlike Wales, Northern Ireland and Scotland, the UK has a mix of diverse government policies and regional development agency. The government considers these agencies as crucial units in regional development and regional economic development drivers. However, institutional change from the new Labour has created a complex chain of local economic governance. The Regional Congress, established by the local government, the private sector and voluntary units, will carefully review the regional development strategy drawn up by the regional development agency above and act as the regulatory body. Plan and issue these strategies. The regional government coordinates with ten specialized central government departments in each region and covers policy areas such as rural development, transport, EU Structural Funds (SF). The LSCs Capacity Building Committee was

established in 2001 to create a system of 47 local LSCs as sub-regional level. Similarly, the RDAs also established partnerships to enforce their local economic strategies, thus creating tensions in cross-functional functions between different units in local development in the UK. The development of this system has its pluses and minus points. If all systems have a reasonable framework and smooth operation with effective relationships from subordinate units, then a win-win situation will be created. On the contrary, it can also produce an unfortunate result, where the effectiveness of the partnership is maintained, or the function of the units is balanced, it is difficult to secure sufficient capacity to draw a regional strategy.

Speeding up the knowledge economy in Northern Ireland

The new Northern Ireland Parliament approved the "Strategy 2010" in 2001 after the devolution with the aim of "a knowledge-based economy, innovation, competition and rapid growth where there are many new opportunities and People are equipped to capture. " Invest Northern Ireland (INI) was established in 2002 as an independent government agency funded by the Department of Enterprise and Investment (DETI). Government. This agency holds the functions of almost all other units in Northern Ireland's economic development such as the Local Business Development Agency, the Industrial Development Board or the Industrial Research and Technology Unit. In addition, it is the new unit that coordinates the role of the Business Development Program (formerly the Employment and Training Authority) and the business development functions of the Northern Ireland Tourism Board. "In order to meet the needs of the knowledge economy, we need to facilitate decision-making quickly and effectively," said Reg Empey, Minister for Trade, Investment, and Enterprise. Flexibility to respond to changing markets cannot be achieved in the civil service. However, because the DETI Department did not feel happy with the new INI, they decided to limit INI's flexibility. They argue that INI is part of a larger body, part of a more extensive system, and above all, a political entity (Goodwin et al., 2006).

After the Labor Party's defeat, the regime of territorial governance in the UK continued to be reformed following the change of the new coalition government under prime minister David Cameron. Since the election of the Conservative-Liberal Democrat coalition in 2010, British regional governance structures have been changed with the elimination of regional development agencies, regional leadership committees and regional integration strategies. These units are replaced by local business and local government agencies.

The political crisis and Brexit

Decentralization in the UK focusing on state space reconstruction is a process of political transfer. However, after the process of decentralization, many of the policies of member states did not follow the British model. The government of Wales and the Scottish government tend to oppose market-oriented policies, which prefer to develop a collaborative social-democratic

approach. Many of the contrasts in governance between England and its member states have created more dilemmas as the UK introduced austerity policies in 2008 (MacKinnon, 2015).

The consequences of the political break from within are externally the result of the Brexit referendum in the United Kingdom. There are many reasons for the Brexit case between the UK and the European Union including the dissatisfaction with the EU crisis affected by the Ponzi financial model leading to the real estate bubble in Southern Europe and Ireland, disagreement with the austerity policies of some European economies, conflicts with immigration policies followed by the political crisis in the Middle East (Jessop, 2017).

The post-Brexit resurgence creates scepticism for the future of the UK in both domestic and foreign affairs. On the external front, the Brexit talks face many difficulties as the White House itself of the United Kingdom has only 20 trade negotiators meet 600 trade negotiators from the European Union. On the domestic front, at least two governments - Scotland and the Republic of Ireland - hold views opposing the United Kingdom to Brexit. Scotland may refer to another independent right while the Republic of Ireland has a common border with Northern Ireland seeking mergers (Jessop, 2017).

2.3 Taking Vietnam as a case study

Some people believed that Vietnam is a country with a long history of hundreds of years with many regional changes. However, to study the history of regional institutional development, the historical milestone should be calculated from 1802 for two reasons. Firstly, this is the time when the Nguyen united territory resembles the shape of Vietnam today. Second, the last 200 years have chief representatives of Vietnam's state institutions that form regional development institutions. The literature of institutional development in the history of the Nguyen dynasty and the French colonial period was relatively scarce for the collection due to many of the reasons related to the country's warfare, and politics. In the limitation of this study, the author can only collect a little and scattered amount of research on the history of the institutional territory of Vietnam.

Over the past 200 years, Vietnamese history has left a legacy of three major institutions, feudalism, semi-feudal colonialism and socialism. Specifically, due to the characteristics of civil war, capitalist institutions had formed and developed in southern Vietnam for 30 years since World War II until 1975. At this stage, Vietnam continued its civil war and was divided into two distinct territorial regimes representing the two major institutional systems of the world then, capitalism and socialism. As Lefebvre (2009) mentions that the state produces and calibrates its logic space; therefore, this historical change in Vietnam has created various regional development institutions for each historical period. Due to the scattering and shortages in the collection of preceding official research documents, the first central part of the study focuses on the post-Cold War phase. Therefore, the study started with two related questions:

- How regionalism in Vietnam change over time?

- How regional development policy in Vietnam operate in recent years?

In the other side of regional planning and territorial perception, some would be interested in regional development policy reforms such as cross-border cooperation (Gainsborough, 2007), local development policy in Vietnam (Hoang, 2011b, Hoang, 2012a), economic, geographical organization and regional development planning in Vietnam (Ngo, 2009, Hoang, 2010a, Hoang, 2010b, Hoang, 2011a, Hoang, 2012b). Notably, besides rural development studies on agricultural modernization (Nguyen, 2007) and rural development (Hoang, 2006, Hoang, 2007, Dang, 2008, Dang, 2009), in some recent years, along with national goal program on building new countryside, some would be keen on creating new landscape (Dao, 2016, Nguyen and Vu, 2016). However, there is a flaw in studying on the territorial structure of Vietnam and how the regional development policy has been applied to it. Therefore, the first approach put two related questions:

- How is the regional structure in Vietnam changing?
- Is the trajectory of regional development policy in Vietnam suitable for that regional transformation?

Along with these trends of globalization and regionalization, the context of regional development has been dramatically reformed in changes of patterns, thus creating more and more challenges (Pike, 2006). Therefore, leading public authorities need to reconsider and to assess their strategies to respond proactively to global opportunities. The role of regional development policies is more critical than in improving the competitiveness of the regions and promoting the endogenous resources of the areas (OECD, 2010a).

Moreover, there are more and more studies on international relationships and strategic cooperation in bilateral and even multilateral manner such as: to what extent Vietnam has benefit from FDI sine entry into ASEAN 1995 (Mirza and Giroud, 2004), Laos' position within changing investment and trade relationship with China, Vietnam and Thailand (Goto, 2011), Mekong region and institution weakness (Verbiest, 2013), regional cooperation in the South China Sea (Kao et al., 2012), cross-border Thailand and CLMN (Krainara and Routray, 2015), the normalization of foreign relationship between China and Vietnam (Le, 2013b), even transnational and Vietnamese state in globalization (Gainsborough, 2007). However, there is a shortage of full multi-regionalization and territory re-articulation for Vietnam in the context of the Pacific-Asia region. Therefore, regulatory regionalism of Jayasuriya (2015) creates new debate and challenges for Asia-Pacific countries in the approach of building regional capacity. On the other side, there is the deficit of studies applied regionalism models on state space in point of view of development institutionalism. However, in about thirty research papers analyzed, there is a deficiency on the theory of globalization, regionalization and state's transformation in a globalizing context. Therefore, the second approach of the thesis poses two relevant questions:

- How has multi-scalar regionalism been applied in Vietnam?

- What does Vietnamese state rescale for regional development?

In term of domestic literature on state and its related issues, in 20 recent years, there are numerous evaluation studies of state's strategies and specific programmes across all of the different themes, periods and policies. For instance, some would focus on bureaucracy changes such as the characters of system reform (Diệp, 2008), state's improvement in the direction of the rule of law (Nguyen, 2005) or V.I.Lenin perspective (Trinh, 2010) and system reform of local authorities (Nguyen, 2006). Others studies on many distinct branches of administrative and institutional changes such as organizational reform (Dang and Doan, 2010) institutional reform (Le, 2013a), developmental state (Beeson and Pham, 2012), economic reforms (Pham, 2015a). Individually, most of them are qualitative research while the quantitative studies on public administration and the state's reform are too few. Therefore, the third approach poses two interrelated questions:

- Does the Vietnamese state install its logic on its territory?
- To what extent the regional logic is independent on the state's space in their territories?

The study tried to review in full and in detail and is analyzed deeply about internal inconsistencies of the state system and the characteristics of the state in the direction of space.

Due to its own political and institutional distinction in Vietnam, the domestic literature since 1945 is based primarily on official documents of the Party. Then, these studies would be systematized by normative legal papers and based on the actual situation or management situation over each period to find out the management problems and issues. It is the primary research form of institutional change in Vietnam. Recently, due to the more in-depth international integration process, these studies have changed gradually, the reviews on the institution in different countries have varied and varied in various forms. The adaptations of European countries in the European Union's regional policy may be useful references for Vietnam. To sum up, in about 90 research papers analyzed, the author recognizes there are some deficiencies in the literature on how to apply international application for regional development policy in Vietnam.

Therefore, the fourth approach poses two interrelated questions:

- How the European countries adopt the European Union's regional policy?
- What are the lessons for Vietnam in the new context?

To sum up, there are problematic challenges for scholars to approach spatial planning by regions based on characters of territory, people, and culture. Furthermore, the demand for studying on administrative-economic-social authorities by areas has been increased in the regionalization context. Last but not least, the literature needs to complement more research on general planning with long-term strategies and long-term administrative traditions.

CHAPTER III: MATERIALS AND METHODS

To answer the supposed questions, we are building the related content of the research materials, the research methods, the place of the research, the subject of the research, and research hypotheses regarding the regional development policy and state rescaling in Vietnam. The author also attempts to describe the materials, methods, procedures to answer the related research content.

3.1 The research materials

In order to answer the supposed research questions, we attempt to use some research materials, including:

- the legal documents of the Vietnamese state on regional development
- the academic paper related to regional development and regional development policy
- the analytical report of some ministries of the Vietnamese state
- the European Union's regional policies
- the analytical reports of how some European countries adapt regional policy
- the academic papers related to the theory of rescaling state in the European Union

3.1.1 The legal documents

The legal documents of the Vietnamese state on regional development have been built from three main systems of public organization. Firstly, the system of the Party's organization creates public documents in the resolution form of the Party to make an orientation for developing economic-social strategies for the country, such as:

- The development strategies of economy and society in some periods: 1990-2000, 2000-2010, 2010-2020, 2020-2030, and some from the Central Party of Vietnam.
- The instructions of strengthening foreign economic affairs in modernization and industrialization in some periods: 2000-2010, 2010-2020, and others from the Political Bureau.
- The legal documents stipulated functions, duties, power of Party's organization apparatus, and related relationship for regional development.

Secondly, the legal documents of public organizations have been built from the National Assembly, such as the Investment Law, the Public Investment Law, the State's Budget Law, The Labour Code, the Law on Social Insurance, and the Health Insurance Law. Almost all of these public document has the pilot period to collect more contributions and references from prestige scholars, social scientists, and policymakers before issuing publicly.

Thirdly, the system of legal documents of government at the central and provincial level such as some planning documents from Central Government (CG) for sub-national regions, some

planning documents of Ministry of Investment and Planning (MOIP) for localities, some legal documents from foreign economic affairs of Ministry of Foreign Affairs (MOFA) and other ministries. These systems of legal documents normally decentralize the power of statehood to implement the assigned missions that stipulated some resolution above.

Besides, the thesis makes some references for some legal documents of Asian Development Banks (ADB) and European Union (EU) and some legal documents of Hungary, United Kingdom, and others that have been translated in English.

3.1.2 The academic reports and papers

The system of research materials for regional development policy has been collected from the reports of development policy of the Organization for Economic Corporation and Development (OECD), such as some reports of assessment of agriculture in Vietnam, of regional development policy of OECD countries. Furthermore, the authors also collected some reports from Ministries in Vietnam, some academic papers of policy science, and state rescaling from international academic databases such as Taylor and Francis Online, Eleviser Online, and the references from the Scopus database. Moreover, the domestic literature of state rescaling and regional development policy in Vietnamese are also collected and analyzed from the national database of the National Agency for Science and Technology Information (NASTI) of Vietnam.

3.1.3 Data for analyses

The data that used for analysis has been collected from two primary sources:

Firstly, the data that are using from the regional overview has been collected from the website of the Vietnam Department of Social Statistics regarding the national population to national agricultural land and the national labour income by regions.

Secondly, the data used for the analysis of the third hypothesis has been collected from the United States Agency of International Development (USAID) with the Provincial Competitive Indicator Dataset (PCI database).

The PCI data set

Instead of using an empirical survey, we choose the method to find available datasets to ensure the territory's integrity. Moreover, this method helps us to save time and money to implement the project. Given the above hypotheses, we tried to find some available datasets in Vietnam that surveyed the whole of the country, such as the provincial competitiveness index (PCI), public administration performance index (PAPI), and some other datasets. However, only the PCI data set gives the response of significant results.

Moreover, we recognize that the PCI data set is reliable and accurate for three reasons. Firstly, the data has been collected thoroughly. Secondly, the sample has been collected randomly. Finally, the enterprises' data is reliable because it is directly related to the degree of

their smooth operation. Therefore, we choose the PCI dataset as primary research data in this research.

The PCI dataset is an annual survey on the assessment and ranking of the provincial authorities' economic governance quality. It helps to create a favorable business environment for the development of the private sector.

The PCI data set measures economic governance areas that directly affect private sector development and examine the capacities of every local authority's excellent performance. It includes ten sub-indices: (1) to low entry costs for a business start-up; (2) the extent of access to land and security of business premises; (3) a transparent business environment and equitable business information; (4) informal charges; (5) limited time requirements for bureaucratic procedures and inspections; (6) proactive and creative provincial leadership in solving problems for enterprises; (7) the extent of business support services; (8) labor training policies; (9) fair and efficient legal procedures for dispute resolution and (10) the average of 9 indexes above.

The PCI dataset is designed in a three-step series, comprising with collecting business survey data and published data sources, calculating nine sub-indices, and standardizing to a 10-point scale. Then, the tenth index is an average point of nine initial indexes. The sum of ten indexes that standardized to 10-point scale has been defined as the composite PCI index with a maximum score of 100 points.

Regarding the sampling, firms and enterprises are chosen using random sampling to reflect local populations. Stratification for firms is used to make sure that their age, right type and sector are correctly portrayed.

Notably, the 2014 PCI, the 10th version of the record, expresses the evaluations of 10,000 native businesses and 1,500 foreign-invested enterprises regarding the local economic governance and business environment in Vietnam's 63 cities and provinces.

3.2 The research methods

In order to answer the supposed research questions, we attempt to do some research contents, including:

- the literature review on the global context and institutional foundations
- the context of the European Union and some relevant issues
- the situation of state rescaling in some representative countries in EU
- the regional structure and regional policy framework in Vietnam
- the analytical report on how the regional development policy work in Vietnam
- the analysis of regionalism initiative and some relevant issues
- the analysis of the interaction between territorial logic and state logic in Vietnam
- the analysis of some reference lessons from the European Union

The author divides the research into four main stages. In the first period, the author attempts to focus on the description of the regional structure, regional development policy, and characteristics. Secondly, the literature reviews and some European Union's related issues in practice have been probed. Some research hypotheses, related qualitative and quantitative methods have been created in the third stage. Last but not least, the author tries to analyze some significant scientific achievements and overall results with some comparisons with the overview of the literature.

3.2.1 The qualitative methods for the research

The thesis attempts to approach state rescaling with a periodization approach (Brenner, 2009), where state rescaling is addressed as a process of institutional reorganization to answer the first, second, and fourth hypotheses.

Brenner (2009) believes that "state rescaling could benefit substantially from greater methodological reflexivity at every level of the dialectical spiral, from the abstract to the concrete and back up again." He creates three research methodologies for state rescaling. Firstly, "logics of explanation" can be understood "in structure terms as the expression or outcome of large-scale political-economic tendencies", "in strategic terms as a political response to the dislocation, challenges and contradictions induced through those macrostructural tendencies" and "in explanans terms as a trend or condition engendering specific political-economic consequences."

Brenner (2009) defined state rescaling in two periodization approaches: "policy trajectories and institutional reorganization" A significant strand of the literature on state rescaling is focused on such policy trajectories" in the real researchers. In the second approach, "state rescaling involves examining the evolving scale articulation of a particular institutional-territorial space – be it a supra regulatory agency, a national state, a region, a city or a cross-border zone. Here, the notion of rescaling refers to a process of institutional reorganization. To the degree that the scalar configuration of institution or territory under investigation is qualitatively modified – whether through the recalibration of existing organization scales or the construction of entirely new ones – the challenge of periodization arises. Most "authors trace the rescaling of state spaces within the region under study concerning the contested evolution of formal governmental institutions as well as new strategies of political-economic intervention. Luckily, "these two approaches to the periodization of state rescaling are certainly not mutually exclusive. Indeed, if they are combined within a well-focused, theoretically grounded research agenda, they may be powerful complement one another to generate both concrete and meso-level insight into the trajectories of state rescaling in different global regions and national state spaces.

In the second chapter of this research, "The concrete research on state rescaling" EU will be examined in "policy trajectory" as the reference in comparison with extending the Southeast Asia region in the next chapter (Brenner, 2009).

Indeed, the system theory of Kornai (2016) opens new basics for research of the contemporary state system. When the analysis of the state from Brenner (2004) influenced by

political space, external institutions, Kornai (2016) focuses on the order transformation of the state. Applied the characteristics of the system described by Kornai (2008) and the dimensions of state space outlined by Lefebvre (2009) and Brenner (2004), the author provides a quantitatively extensive empirical evidence about an intra-regional regulatory mechanism, using as dependent variables can be recognized by the geographical characters. There are two main hypotheses established in the quantitative one. The first hypothesis suggests that as a vehicle of the regional government, the author examines in detail the characteristics of the state space system in the PCI dataset and its regionalism. The author claims that there is a high correlation in these four principal components, and they can be identified by regionalism. The second hypothesis posits whether geographical characters can recognize the characters of the territorial government. As a result, local government mechanisms can be recognized at the regional level both in the three-region division and six-region one. Thus, the Vietnam government can take to establish the new territorial government amalgamation into account.

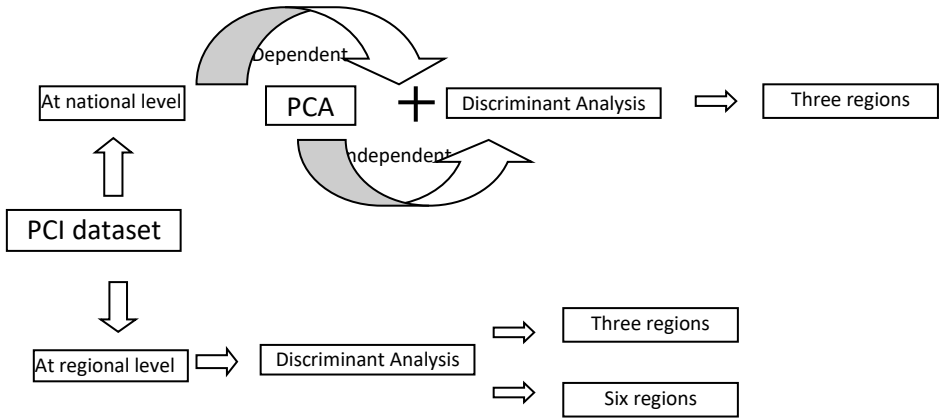
Furthermore, every main character above is realized by region. The exciting result is that these nine sub-indexes can be recognized by regional geography, and they are different by region. Our argument has a significant role in the prism of the region as a scale in Vietnam.

3.2.2 The quantitative methods for the research

Regarding the quantitative approach for identifying regionalism, the author uses a quantitative approach to identify regulatory regionalism, in other words, providing a quantitatively extensive empirical evidence about an intra-regional regulatory mechanism, using as locally as possible variables.

To answer the third hypothesis above, we choose the provincial competitive index (PCI) dataset and two statistical methods, including principal component analysis (PCA) and discriminant analysis (DA).

3.2.2.1 The analysis design for the PCI data set



Source: Edited by the author

Figure 3. The analysis strategy for PCI dataset

The Figure 3 shows how the PCI dataset is analyzed. The PCI dataset is used in two processes for both two experiments to make the two-way relationship significant. The first process is designed to understand whether the state's logic influences on its space or not. This process uses the principal component analysis to describe the state's characters in the whole country that illustrate in hypothesis 1 above. Then all of these state's characteristics are verified in extensive research with discriminant analysis (DA) in hypothesis 3. Latterly, the PCI data set is tested directly with discriminant analysis (DA) that showed in hypothesis 2 above to check whether space's logic influences on its state.

There are three groups of dependent variables used in the research. In the first experiment, the dependent variables of the test are collected from nine sub-indices from the index (1) to index (9). All of these dependent variables are used for the first equation 1. In the second experiment, the dependent variables of the experimental test are collected from ten sub-indexes from the index (1) to index (10). All of these dependent variables are used for the second equation 2. At the extended experiment for hypothesis 3, the dummy dependent variables collected as independent variables from test 1 are used to test for equation 3.

Equation 1:

$$X_j = L_1X_1 + L_2X_2 + \dots + L_9X_9 \quad (1)$$

Equation 2:

$$D = a_0 + a_1X_1 + a_2X_2 + \dots + a_{10}X_{10} \quad (2)$$

Equation 3:

$$D = a_0 + a_1X_{d1} + a_2X_{d2} + \dots + a_jX_{dj} \quad (3)$$

3.2.2.2 *The methods of statistical analyses*

To answer the questions above, we choose two statistical methods including principal component analysis (PCA) and discriminant analysis (DA) to clarify more results.

According to Julnes (2008), the Principal Component Analysis is a type of factor analysis has its roots in the earliest attempts to classify phenomena using quantitative methods. By capturing the most information, this technique is used to obtain the most information to create a new variable that accounts for the maximal amount of variance of the original variables (Julnes, 2008). The information provided by many variables can be explained better by using a new set of fewer than the former but retains much of the information in the above variables (Julnes 2008). The basic model that captures the government's issues can be expressed as $X_j = L_1F_1 +$

$Li2F2 + \dots + LmFm + Uj$ in this case; the outcomes are expected the high correlations among indicators to detect the complicated relationship of signs and to find latent variables behind the origin.

Secondly, the goal of the discriminant analysis is to predict group membership from a set of predictors (Tabachnick and Fidell, 2006). Firstly, it is to find the dimension or dimensions along which groups differ and to find classifications to predict group membership. The degree to which these goals are met depends on predictors' choice (Tabachnick and Fidell, 2006). The first discriminant function (D1) is the linear combination of dependent variables that maximizes the differences between groups. The second discriminant function (D2) is the linear combination of dependent variables that maximizes the remaining differences between groups. The basic model can be expressed as: $D = a_0 + a_1X_1 + a_2X_2 + \dots + a_pX_p$. In this case, the outcomes are expected the separated classifications between groups.

3.2.2.3 The procedure of data analysis

There are some steps we used to analyze the dataset. At first, we tried to screen and remove the outliers with no value or significant statistical errors. Next, we tried some different groups of statistical analyses to enrich the results. Consequently, we found few outliers from some null values in the PCI dataset, and we dropped them. After that, we tried some statistical analyses such as cluster analysis, principal analysis, and discriminant analysis, and we found that principal analysis and discriminant analysis are suitable for our research orientation.

3.3 The place of the research

It seems apparent that Vietnam is a small country with heterogeneity from ethnic, linguist, and history. It is often said that Vietnam is a country of 54 ethnic groups live together in harmony, in which the Kinh accounted for 86% of the population. Theses day, 53 ethnic groups fluctuate around ten million people, including Tay, Nung, Thai, Muong, Khmer. It is clear that the Kinh living scattered across the territory, but most of them concentrated in the plains and deltas of rivers. However, most of the ethnic groups live in the mountains and midlands, stretching from north to south. In fact, most of them lived typically as the minority ethnic communities in the mountainous region of the North (MRN) and the Central Highlands (CHs). Moreover, the development level of ethnic minority people is uneven. In the mountainous region of the north, residents such as the Muong, the Thai, the Tay, the Nung live mainly on rice cultivation and shifting cultivation, livestock, and poultry, partly hunting and doing the craft. Furthermore, the ethnic minorities living in the south region are more separated. The exception of the Cham, Hoa, and Khmer residing in the Central Highlands (CHs) and Mekong-river delta (MRD) where has a higher level of development, most of the other ethnic groups in the Central Highlands live in the form of the village, living based on self-sufficiency from nature. It is often claimed that all ethnic groups have distinct cultures and different religious beliefs, as well. Regarding linguists, there could be a case for saying that 54 ethnic groups living in the country of Vietnam have its language and culture of their traditions. Twenty-four ethnic groups have

their writing as Thai, Mong, Tay, Nung, Khmer, Gia Rai, Ede, Hoa, and Cham. It would appear that some copies of some ethnic minorities such as Thai, Hoa, Khmer, Cham, Ede, Tay, Nung, and Co Ho letters used in the schools. However, Vietnamese was chosen as the standard language for all peoples. In the education system from kindergarten to university level, Vietnamese is the universal language tool for official communication and state management.

The main place of the research in the thesis is subnational regions. In other words, the author is interested in the regional structure of the country. The author pays attention to the description of the regional structure in Vietnam on the part. The most characteristic trait of the country's structure is its polarization. In Vietnam, regional development focuses on two large locomotive sub-national regions: Red river delta (RRD) and the Eastern (TE) to promote national economic growth, regardless of internal disparities. Therefore, many projects and programs to develop regions and territories such as: improving transport and infrastructure as hospitals, schools, highways, and airports are prioritized for these two locomotive sub-national regions.

Historically, it seems apparent that the red river delta (RRD) has been prominent as the primary economic region to the north where plentiful water resources, about 760,000 hectares of fertile agricultural land and favorable conditions to develop traditional agriculture, particularly wet rice growth (Figure 7). Thank polarization development policies, the red river delta (RRD) has continuously been a particular region as one locomotive territorial promoting the national economy. The region's transport infrastructure has developed for better because of the capital – Hanoi - is an economic, social, and political center of the country. The transport system in many kinds of ways such as roadway, railway, and waterway is upgraded. Airports and seaports are also developed. It would appear that electricity even meets the demand of 99% of citizens in the region. Many industrial fields are generated, such as metallurgy, mechanism, chemistry, food processing, and consumer's excellent production. Until the end of 2009, there were 61 industrial zones established with a total land of 13,000 hectares in which 9,400-hectare industrial land was reasonably rented in the region. Compared with the whole country, the red river delta region (RRD) occupies 26% of the number of industrial zones and 23% of the natural land of industrial zones. It is one of two developed areas in Vietnam as a central pillar to develop the national economy.

On the other hand, the Eastern (TE) has been a developed region with the active development of industrial wave. It is a region with the highest number of immigrants in the country and is the economic region produced in the fastest way in Vietnam (Figure 8). It is established as a pivotal economic quadrilateral including Hồ Chí Minh city, Bình Dương, Đồng Nai and Bà Rịa – Vũng Tàu. According to figures in 2004, this quadrilateral occupied 37.4% GDP of the country that contributed 55.76% of the national budget. Hồ Chí Minh city is a leader in economic, financial, cultural, tourism, innovation, and healthcare center. Đồng Nai and Bình Dương provinces are two localities that are prominent with crucial industrial development, thus supporting much for the development of the region. Bà Rịa – Vũng Tàu province has functioned

as a tourism center and as exploited and refined fuel center. Technical infrastructure developed actively with many modern highways that meet the demand of industrialization of the region (Figure 7). However, two large territorials encompassing the capital Hà Nội and Hồ Chí Minh city with dense population and massive immigration to urban areas suffer a lot of challenges and problems such as congested transportation, slums, the overload of hospitals and schools, social evils, and environmental pollution.

Some people believed that the disparities between urban and rural areas have an increasing trend. Vietnam has characters as a large-sized rural population, about 68% (OECD, 2015). Agricultural regions in Vietnam mainly depend on agriculture economy, and rural people mostly are the peasants. Because rural areas stretched on the whole country, they need a significant amount of development resources. However, I feel strongly that the scattered allocation of public expenditure and rural areas have too few resources to develop, even if they lack the regular outlays, thus impairing the development resources and increasing the burden of costs and fees for rural people. It seems that the lives of rural people in Vietnam become unsteadily because of the additional tax in agriculture and losses of natural disasters. Meanwhile, urban areas have continuously been economic spearheads on the whole country, especially Hanoi city, and Ho Chi Minh city have been commercial locomotives of the nation as presented above, thus increasing the gap in income of people between rural and urban areas.

Although the state's objectives of reducing regional disparity have not been paid attention to, rural development policy started to consider in recent years in some initiatives of Resolution 26 of Central Party of Vietnam (CPV) in 2008 regarding three rural affairs. However, according to the market economy principle, the development orientation concentrated on regions with favorable economic conditions like urban regions and some regions in the process of urbanization. Although a powerful wave of foreign direct investment (FDI) in the peripheral areas, rural areas still get behind the country's general development.

Challenges in developing highly mountainous areas like the mountainous region of the north (MRN) and Central Highland (CHs) are more and more urgent (Figure 8). There are two emerging regions as underdeveloped regions. Firstly, the mountainous region of the north faces the challenges of economic development. In fact, this area has a dangerous topology with many high mountain ranges where some mountain of them peak at 2800-3000 meters. The region has a cold climate in winter because of the top topology. In summer, there is significant rainfall, and creating regular floods causes substantial losses for local people. It seems that it is the most underdeveloped region of the whole country with more than 20 ethnic minority communities living on clearing land and tilling the field; their living conditions depend on nature. Therefore, human and technical infrastructures are underdeveloped because of high mountainous topology. However, in some places, tourism is developing well, like Sapa and Mù Cang Chải. On the other hand, although the government has many policies to eliminate hunger and reduce poverty, living standards are still much more difficult. Central Highlands (CHs) regularly faces political

conflicts to become an autonomous region. It is claimed that this region is the home of a large population of ethnic minorities such as Jarai, Ê đê, Ba Na, K'hor people, thus bringing the complicated characters in politics. The Central Highlands contains many primitive forests and is protected in its national park such as Cát Tiên, Yok Đôn, Kon Ka Kinh. Because of the high mountainous topology, it seems that the transport system in this region is underdeveloped with the lowest rate of the concrete road compared with other areas.

Many scholars and policymakers are convinced that the marine economic potentials in the coastal region have not been exploited yet. I believe that Vietnam has three main advantages in developing the ocean economy. Firstly, significant natural advantages are long coastlines and an area of broad sea territorial sovereignty that easy to access to the ocean with abundant natural resources of fisheries, oil, and many other minerals. However, there are many marine potentials have not been exploited because of the backward sea technologies.

Secondly, it is often said that tourism in Vietnam has developed significantly in recent years thanks to the beautiful and long beaches. Every year, tourism always contributes about 5% of GDP, and it was appreciated as a potential and vital sector of the economy. However, losing tourism management led to eco-environmental pollution, degradation of natural landscapes. Synchronized and systematical tourism management is to develop the tourism sector rapidly and sustainably to maximize the return on the tourism potential in Vietnam.

Finally, I feel strongly that the location of Vietnam brings especially economic geographic strategic – the center of Asia – Pacific trade linking the Pacific Ocean with the Indian Ocean, connecting industrial zone in Northeast Asia like Korea, Japan, and China with India – the door of Europe. Besides, it is also easy to communicate with leading economic zones in the southeast region of Australia. However, when discussing the economic development advantages of Vietnam's sea, attention is paid to exploiting the former advantage, although the following position is becoming increasingly important due to the rapidly increased economic globalization process. This bias is an inevitable natural result of traditional development thinking as an exploitation of natural resources of crude based on a low technical level and the limited capacity of research.

3.4 The description of the research subject

The main subject of the research is the analysis of regionalism and regional development policy in Vietnam. In other words, the author pays much attention to state rescaling for regional development and related issues. The question is how the state makes strategic plans for regional development, how the public authorities implement regional development policy in Vietnam. At first, the country's structure of regions and policy framework of regional development have been identified. The author tried to focus on describing in the most precise way how the regional development policy looks like in Vietnam in this part.

Regarding country structure, it has long been my belief that there are three main parts of governance in Vietnam.

Firstly, I am convinced that the Central Party of Vietnam tightly controls the government system in Vietnam at all government levels (Figure 4). At the central level, there are many departments, including personnel councils, foreign councils, and propaganda councils. IN practice, their functions are to analyze, summarize, to evaluate the development operations to build new 5-year resolutions for the next stage. In my opinion, one of the primary roles of the Central Party of Vietnam is to select talents as red seeds. Skills at all of the Party's levels will be suggested, developed, and trained to become leaders in Party's organs and public administration ones in the future.

Secondly, it seems apparent that the highest representative organ of the people and the highest organ of State power of the Socialist Republic of Vietnam is the National Assembly (Figure 4). The National Assembly is the only organ with constitutional and legislative powers. It shall practice supreme control over all activities of the state. "(Article 83, Constitution). The central government (CG) is an executive organ of the National Assembly, the highest organ of State administration of the Socialist Republic of Vietnam. (Article 109, Constitution)."The Socialist Republic of Vietnam's administrative body is organized as follows: The country is divided into provinces and cities under the direct central rule, thus establishing a powerful decentralization wave of sixty-three localism in fifty-eight provinces and five large cities. Following that rule, a province is divided into districts, provincial cities, and towns; a city under the direct central rule is regulated into urban districts, rural districts, and towns. A district is divided into communes and townships; a provincial city and town are constructed into wards and communes; an urban district is distributed into wards. Moreover, I am confident that the establishment of People's Councils and People's Committees in administrative units is determined by law "(Article 118, Consitution) as public authority unit that controls the relevant issues of localism. Besides, the Central Party of Vietnam Article 4 of the Constitution stipulates that "the Communist Party of Vietnam, the vanguard, and staff fighting for the Vietnam working class, armed with Marxist - Leninist, is the only force leading the State, society leaders ...".

Table 9. The overview of the regional development policy and public administration in Vietnam

Country structure	Unitary, four levels of government
Problem recognition	Disparity between urban and rural areas Challenges in developing dangerous mountainous areas Overload situation in the capital Hà Nội and Hồ Chí Minh city
Objectives	Promote pivotal locomotive territorial growth Rural development
Legal framework	Law of local authority, Law of State's budget
Spatial orientation	Locomotive territorial: the capital Hà Nội and Hồ Chí Minh city Urban polycentrism
General policy framework	National ten-year social-economic development strategy General five-year national plan of social-economic development

Country structure	Unitary, four levels of government
Regional policy framework	Large pivotal economic region plans Large economic region plans General plan of social-economic development of provincial-level councils
Urban policy framework	General plan of urban development Law of urban planning Construction Law
Rural policy framework	Agriculture restructure New rural development programs Climate change adaptation programs
Major policy tools	State's budget (at central and local levels) Foreign development investment (FDI) Official Development Assistant (ODA)
Policy co-ordination at central level	Direct decisions and instructions from central government
Multi-level governance between national and local level	Direct decisions and instructions from central government
Policy co-ordination at regional level (cross-sector & geographic)	Large regional directive councils Councils of large pivotal economic regions
Evaluation and monitoring	National level: Government's reports Regional level: regional councils' reports Provincial levels: Reports of general social-economic development at provincial level
Future direction	Rule of law Decentralization Public administration reform Sustainable regional development

Source: Edited by the author

Thirdly, it is often claimed that the mass organization is built at all government levels. These organs coordinate with governments at the same levels to implement their functions in conformity with national strategies.

Although Vietnam has a vast state apparatus, the local government system is powerfully fragmented. All of the local governments in localities can be seen as deconcentrated organs of the state in locations. Currently, Vietnam has 63 provincial-level administrative units as 63 localism (including five cities directly under the Central Government); 697 units at the district level (including 554 rural districts, 47 urban districts, 46 provincial towns, and 50 towns); 11,029 commune-level units (including 9,011 communes, 1,391 wards, and 627 townships). The local government structure in Vietnam consists of People's Councils and People's Committees at

three levels: provincial, district and commune levels (except the selected localities which are piloting the abolition of People's Councils at district and ward levels).

The system of government has been improved in recent years. However, many researchers have found that it is still quite bulky, thus creating an institutional crisis of state system relating to the giantess of the system. Besides, I am sure that there are many roles and functions of organs are being overlapped. Therefore, their coordination has not been performed transparently.

As for the relevant recognition of territorial challenges, although the economy of Vietnam reached significant and achievements in near thirty years, the development of the market economy has highlighted the disparity among six large Vietnam's regions (Figure 10). From the Table 9, it is seen that the differences among statistical regions and this tendency tends to increase fastly. Two wealthiest lands are Red river delta (RRD) and the Eastern of the South (TE) where concentrated more than one-third of the population. Two large regions encompassing the capital Hà Nội and Hồ Chí Minh city with dense people lead to a lot of challenges and problems such as congested transportation, slums, the overload of hospitals and schools, social evils, environmental pollution. The most impoverished region is the mountainous regions of the North (MRN) and the Central Highlands (CHs) with sparse population and challenging topography. There is a massive flow of migration from rural to urban areas (Figure 8). The gap between rural and urban income has an increasing trend.

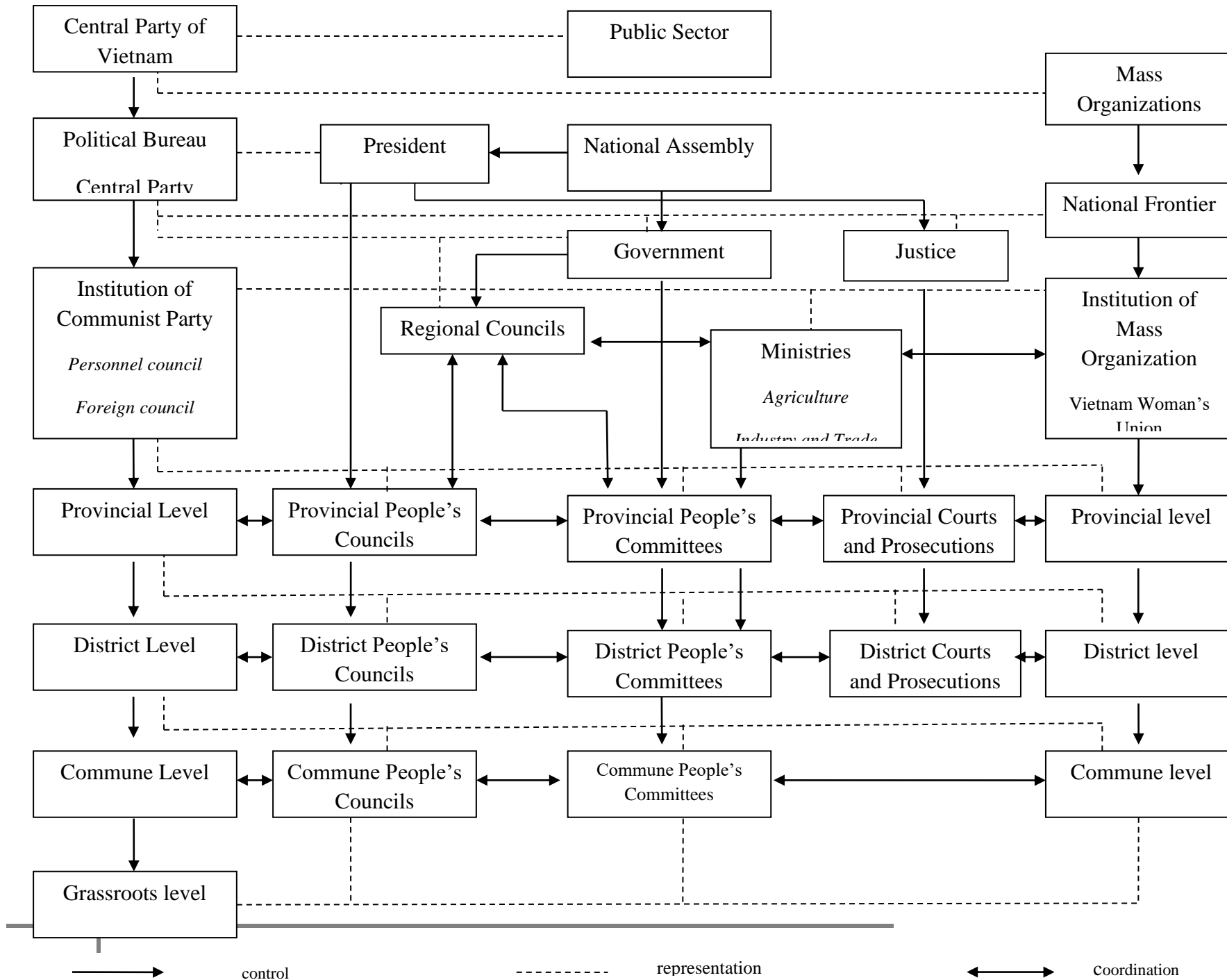


Figure 4. The system of government in Vietnam

Table 10. The structure of territorial units in Vietnam

Territorial units	Kinds and the number of territorial units				Total (unit)
Provincial level	Central cities	Provinces			63
	5	58			
District level	Urban districts	Rural districts	Provincial cities	Towns	697
	47	554	46	50	
Commune Level	Communes	Wards	Townships		11029
	9011	1391	627		
All					11789

Source: Nguyễn Đ.T. et al (2012)

As far as objectives and spatial orientation of regional development policies are concerned, although regional disparity has increasing orientation, it seems that regional development policy in Vietnam has continuously focused on two large locomotive regions: Red river delta (RRD) and the Eastern (TE) continually promoting national economic growth, regardless of internal disparities. Therefore, many projects and programs to develop regions and territorials such as: improving transport and infrastructure like hospitals and schools are prioritized for these two locomotive territorials. The capital Hà Nội and Hồ Chí Minh city that belongs to the two large regions have still been the most critical junctions of the country. Secondly, most scholars believe that the state's orientation of urban development is polycentrism; therefore, the regional economic system has also been established in these areas, and the municipal system has been built on the old settlement network developed from the backward agricultural period. Lastly, although the state's objective of reducing regional disparity has not been paid attention to, policy orientation attached to agricultural development to promote rural development started to be considered in recent years. It is elaborated in the National Goal Program of Building New Countryside in Vietnam.

As for the legal framework, I believe that the most general legal framework is the Law of local authority issued in 2015 that replaced the Law of the organization of People's Committee and People Council in 2003. It completes some contents about particular administrative and economic units, makes more apparent the right and function of the People's Committee and People's Councils, and distinguishes urban and rural government at the local level. I am convinced that the other legal framework is the Law of State's budget issued in 2002 replaced the one in 1996 as a legal basis for entire state budget management activities. In my view, the

fundamental changes include: strengthening the authorities of People's Councils at all levels in decisions on budget estimation at their level, decentralizing revenues and expenditure to each level of the local budget, and increasing the receipts for the commune budget. Besides, it also stipulates that the People's Committee at each level is responsible for drafting, and the People's Councils decide the implementation of the budget with the support of its tax, finance, and planning agencies and the budget allocation.

As for the general policy framework, I am certain that development policies in Vietnam are based mainly on the economic and social development strategies of the country. It is often said that the economic and social development strategies in Vietnam can be seen as the most crucial directive documents of the Central Party of Vietnam (CPV) relating to long-term development issues of the country, the objectives of the nation that need to achieve and methods to their realization. These documents in Vietnam often consider the essential and long-term issues relating to the international situation, thus suggesting the development orientations, strategic and break-through objectives, and solutions organize and implement the strategies. These documents appeared in Vietnam from the 1990s, up to now, three documents were enacted for three 1990-2000, 2000-2010 and 2010-2020 stage. Based on the economic and social development strategy of the country, the government continuously constructs the general five-year national plan of social-economic development. Usually, each policy will divide into two five-year plans. Besides, the ministries, sectors can build up global development sector planning such as agriculture, industry, tourism.

Regarding regional policy framework, based on the economic and social development strategies and sector development orientations, I feel strongly that regional development policies in Vietnam are established for: large industrial regions, commercial pivotal large areas, central-city regions, and special territorials. The local economic and social development planning in the five-year stage is divided into three levels: regional, provincial, and district planning. Many regional planning documents are enclosed in many official records at all levels of the central government to local authorities because of special characters of its political and administrative system, thus resulting in overlapping roles and targets.

At the central level, it seems that the regional policies relating to local issues are comprehensively and thoroughly promulgated, including two main groups: the vast pivotal economic regions and the enormous financial region. On the one hand, the economic-social development plans for each large industrial area include the mountainous part of the North, Red-river delta, the coastal region, the Central Highland, the Eastern, and the Mekong-river delta in a five-year stage. On the other hand, the economic-social development plans for pivotal economic large regions, including the northern, the middle, and the southern, have been published. Moreover, there are some individual documents to build planning for central-city regional planning such as Hanoi and Hồ Chí Minh city. Besides, the National Assembly is constructing the new materials to create and develop special territorial as an experiment.

At a provincial level, similar regional development policies as economic and social development plans at the provincial level are also issued following the economic and social development plan promulgated by the central government. They are conducted by People's Councils at provincial levels and assigned to People's Committees to implement them. The departments of local authorities such as the Department of Planning and Investment, Department of Agriculture and Rural Development also have concrete official documents to guide and implement the operation of function rooms at the lower level.

Regarding the urban policy framework, I am convinced that urban policies have two main sectors: urban planning and management. Based on the economic and social development strategies of the country, up to now, there are two general policies on urban development, including urban development strategy in the 1995-2010 stage and national urban development program in the 2012-2020 phase. Additionally, there are two essential documents on urban management in recent years, including the Law of Construction and Law of urban planning. The most general legal framework is the Law of Construction issued in 2003 and amended in 2009 and 2014. It stipulates all contents related to a spatial plan of regional, provincial, district, and commune levels and the right and responsibilities of all functional authority to build large economic regional plans, industry, and technology zone plans. The second legal framework is the Law of urban planning issued in 2009 that stipulates all contents relating to urban planning such as urban planning project, technical infrastructure planning, and strategic environment evaluation..., then connecting to rights on urban planning and management, infrastructure management, urban land, and housing management. After that, the government issued Direction 42 in 2012 to classify the civic type and facilitate developing metropolitans at all levels and ensuring urban planning to be efficient and systematic based on municipal population and area. However, this raised a movement upgrading local cities and municipalities that broke regional planning and stable administration demarcation.

Regarding the rural policy framework, resources, and decision making tended to be centralized at the national level after the civil war. At that time, it is often said that Vietnam was still a poor, backward agricultural country, with 80% of the population and 70% of the labor force living in rural areas and subsiding on agriculture. Many scholars and policymakers believed that until the policy milestone Resolution 10/1988 of Central Communist Party on the managerial renovation in farming, it officially recognized the role of household economic units as self-controlling economic ones in the agriculture. Consequently, the farming of Vietnam has been released from a traditional planned economy to open the door of the agriculture market and to become one of the tops of exporters in agricultural products such as pepper, rice, coffee, cashew nut, and fishery. It seems apparent that this rationale innovation decision of the Central Communist Party took Vietnam from an underdeveloped country to become an income-average country with the work of eradication of hunger and alleviation of poverty impressive and highly assessed by international communities. Recently, rural development has been emerging powerfully from Resolution 26/2008 of Central Party of Vietnam in three rural affairs:

agriculture, rural, and peasants. The Central government has issued a range of agricultural development policies such as national goal program on building new countryside in 2010 and on climate change in 2012, restructure on agriculture in 2013. These systems created a powerful movement in rural areas; however, after a five-year implementation, the result of all programs has not been attained achievement as expected.

As for policy tools, there are three main tools, including the state's budget, the foreign development investments (FDI), and official development assistance (ODA). Firstly, it is not easy to draw the overall picture of the regional budget in Vietnam. However, in fact, I am firmly convinced that people's committees and people's councils operated as deconcentrated organs of the state in localities, thus not being able to ensure the proactiveness and accountability in the implementation of development programs in regions, evenly these financial outlays too little make challenging implement regular expenditure targets in localities. Therefore, I feel that there are significant gaps between finance resources and expenditure responsibilities in districts, thus creating a range of additional fees and levies on local people. Besides, in my view, the lack of transparency in public expenditures in implementing regular outlays and development programs in localities also reduces the effectiveness. Secondly, Vietnam's significant achievements in near 30 past years have been contributed by official development assistance from developed countries and international organs such as the World Bank and International Money Fund. Although ODA has not been seen as a directive financial resource for regional development, it is one of the most important economic tools for territorial progress in the country, especially in rural areas. All ODA projects have been implemented based on economic-social development strategies and five-year economic-social development plans. This financial assistance has been used in many regional development fields, such as rural development, infrastructure improvement, public health, and the environment. In 1993 - 2007, total ODA accounted for 75.66% of full ODA commitment; total ODA disbursement is USD 19,865 million, occupying 61.86% of total ODA. Average ODA value per capital is USD 18.42 in the Red River Delta, USD 33.98 in the northern mountainous area, USD 21.86 in the Central Highlands, USD 52.46 in the north of the central and central coastal region, and USD 11.19 in the Mekong River Delta, USD 25.4 in the Southeast area.

Thirdly, regarding foreign development investments (FDI), in recent years, many scholars and policymakers strongly believe that Vietnam has been seen as one of the most attractive destinations of FDI from a range of countries on the world. Vietnam has a lot of efforts to attract these financial resources, such as investment policy reform, tax system reform, trade policy change, and financial institution reform. However, tax priority policies for foreign companies reduced a significant amount of revenue for the state's budget, thus creating a significant lack of outlay for development programs in the state's budget. Besides, investment resources have concentrated on a development ring surrounding large metropolis and some neighboring provinces, thus increasing the disparities among regions.

Regarding policy coordination at the central level and multi-level governance between the national and local levels, it is clearly seen that all direct decisions and instructions have been set

out from the central government. It means that every development programs have official documents from central government on ministries' assignments and distribution of responsibilities at the national and local level, thus creating the work's burden more massive on the central government, also creating overlapping of functions at all of levels and overloading of work for ministries in charge of managing too many development programs. There is an example in rural development programs, the central government built the national goal program in building new countryside document with coordination of 8 ministries including Ministry of Agriculture and Rural Development, Ministry of Home affair, Ministry of Education, Ministry of Transport, Ministry of Trade and Industry, Ministry of Health, Ministry of Finance and Ministry of Construction, thus reducing the accountabilities and responsibilities in the programs. In some other cases, the government can assign the provincial people's committee the mission if necessary. The central government directly guides all of the coordination mechanisms in urgent cases for policy coordination at the central and multi-level governance between the national and local levels and policy coordination at local levels. In each case, the central government will guide directly and choose ministry, which has a junction responsibility to deal with and coordinate with other related ministries and with provincial governments. Although this linkage among deconcentrated public organizations has a fast impact on the relevant issues, the sustainable goal for large regions could not be achieved in the long-term period.

As far as the coordination mechanism at the regional level, it is seen from Figure 3 that there are only regional councils of state's organ in charge of issues of large regions. Regional councils are divided into two groups: councils of large pivotal economic regions and other regional councils. Firstly, councils of large pivotal economic regions have a primary function to promote regional economic economy and coordinate with government and other related provincial people's committees to meet the assigned objectives. These councils are also on behalf of the central government to coordinate regional economic development programs and evaluates achieved results and related issues for the central government. There are only two councils of two large pivotal economic regions: one in the north and another in the south to promote the regional economies of two locomotive regions. Secondly, there are three sizeable regional directive councils for the mountainous region of the North (MRN), for the Central Highlands (CHs) and Mekong river delta (MRD). The functions of these councils to develop the economy and society in the regions; however, one of the most important tasks is to ensure the political security in the regions because of the complex and heterogeneity in ethnic and linguistic issues. All of the regional councils often have high power in the political system, have been in charge of vice prime ministers, and effectively implement the coordinated work between central government, ministries, and the provincial government.

Regarding evaluation, all development projects such as national goal programs and general projects are evaluated by reports of ministries, provincial governments, and the regional councils. The local government collects the information resources at a lower level with the bottom-up approach. After that, the reports will be summarized and suggested to the government

at a higher level, herein Central Party of Vietnam (CPV). Therefore, I am convinced that the accountabilities and responsibilities of development projects have not been considered seriously, and development goals are not suitable as expected. Recently, emerging issues of efficiency and accountability focus only on the central level for superior leaders as Prime Minister, President of National Assembly, and a range of ministers because of public opinion in some development fields as education, rural areas, and agriculture. However, these new solutions need to be carried out more radically at all of the local levels to achieve sustainable goals for the whole of the region. Moreover, I feel strongly that all of the reports relating to the implementation of regional development policy need to publish officially in that region.

After reviewing the literature and the related theories to globalization, state rescaling, some references of state rescaling in European Union, in order to answer in the best way some supposed issues, the author builds some hypotheses as below:

3.5 The research hypotheses

After reviewing the research materials, research methods, the place of the research, and the description of the research subject, I am convinced that there are four hypotheses are presented in the essay below.

H1: The characteristics and the structure of regions in Vietnam are evident; the subnational regulatory regionalism in historical perspective is identified; however, the influence of recent subnational development policies on Vietnam is vague.

This hypothesis aims to identify how Vietnam's territorial structure identified and how the Vietnamese state and its regional structure interact with each other. By following the qualitative method of Brenner (2009), the author tries to describe how regulatory regionalism in Vietnam works in the historical perspective and its trajectory. The author also attempts to analyze some characteristics of the structure of regions and how Vietnamese state and regional structure interact with each other for regional development.

H2: The multi-level regulatory regionalism may be a new orientation for regional development in Vietnam

By applying to Brenner's theory of state rescaling, this paper assesses Vietnam's multi-scalar regionalism strategies at two levels: macro regulatory regionalism, particularly GMS and ASEAN+ and intra-regional development institution (Brenner, 2004, Yeung, 2009, Su, 2014). Firstly, the author would like to examine that how is multi-level regionalism at present in Vietnam and to what extent of its influence on Vietnam? The article has created a new perspective for the regional development of state rescaling in Vietnam in the context of globalization and regionalization and contributed to the transformation and adaptation of state institutions in the context of regional integration. Secondly, the author would like to discuss should whether rescaling state in the current regionalism situation at present in Vietnam or not? The essay tries to exploit the SWOT analysis of the new direction in the multi-level regulatory

regionalism context is to ensure enhanced accountability of localities and to harmonize the institutional model of the regulatory regionalism and national institutions.

H3: The state logic has a significant effect on territorial logic and vice versa.

Our indicators cover essential issues to enhance local governments' regulatory quality and simplify public administration procedures for the enterprises on the whole of the country. Local government's condition has been established from all of the provinces between 2007 and 2016. Our empirical analysis departs from a data set of PCI that covers nine indicators of local government's quality that started to collect from 2007 to now. The author reduces them into four groups that respond to actual policy-making issues on the whole of the country. Four teams are identified in the data set having a high correlation between recognizing the real problems in the policy-making point in Vietnam.

The consideration is whether there are any differences in intra-regulatory regionalism by regional geography. The author aims to predict which groups an observation comes from, in other words, whether regulatory quality and character depend on geographical regions. I expect that the intra-regulatory regionalism can promote the role of regional government and regional development policies.

H4: Some references of EU regional policy and regional institution transformation of some European countries bring some significant lessons for Vietnam

After reviewing some models of theories relating to the regional development policy, to state rescaling and to some references of state rescaling in some countries in European Union, we recognize that the consideration of practicing issues relating to the countries in European Union, thus bringing some significant lessons for state rescaling and institutional reform in Vietnam. The author aims to discover some critical factors and significant lessons in the process of institutional transformation in the European Union.

CHAPTER IV: RESULTS

4.1 The analyses of the regional structure, regionalism and regional development policy in Vietnam

4.1.1 *The state rescaling in Vietnam: the perspective from the history since 1802*

The analysis builds on the perception of Vietnamese state reform from a historical perspective and an overview of regional development policy in Vietnam. Firstly, the author presents the transformation of state reforms from before the French colonial era to the present, the trajectory of development policy, and important milestones of Vietnam in the development process. Secondly, the author builds on the characteristics of the territorial structure, the tendency to change the territorial structure, the challenges, and the structure of existing territorial structure management in Vietnam.

Historically, Vietnam, like other Eastern and Central European countries, has been influenced by civil wars. Throughout the various wars, to ensure territorial unity, to ensure peace throughout the country, the political factor becomes one of the essential elements in state logic. The dominance of the political factor in state structures has overwhelmed both economic logic and territorial logic.

Besides, it is my belief that the influence of feudal political culture and more than 100-year under French colonialism, Vietnam was much influenced by the Napoleonic administrative tradition and social, political, and economic system of the countries in South Europe. Although its government structure has been affected by the Soviet model, the characteristics of the system have been in transition.

The logic of the state has strongly influenced regionalism and regionalism trajectory in Vietnamese territories. Through 200 years of history, the regionalism trajectory has carried the philosophy of three Vietnamese state models, including feudalism, half-French colonialism, and the socialist state.

4.1.1.1 *Local agency in Vietnam in feudalism period*

The identity of unified Vietnam has been kicked off by the Nguyen dynasty since 1802 after taking over the power from Le Emperor. Although the Nguyen dynasty had only existed in the short period before French power was implanted in 1858, it represented the typical feudalism of the Vietnamese state over many centuries (Osborne, 1969). Like the feudal dynasties in Asia, the Nguyen established the centralized public administration system, the central point of power was not the land allocation but a title delivery. The existence of the dynasty much depended on the loyalty of mandarins. Vietnamese society established based on the relationship between extended families and beliefs. Similarly, the business communities competed drastically to get the favor from the emperor and the mandarins.

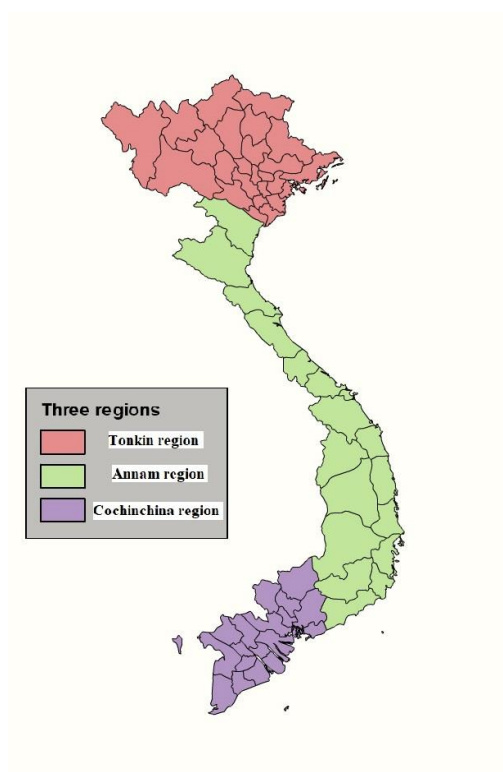
The first Nguyen emperor, Gia Long, divided the country into three regions, including Bac-Thanh as Tonkin, Dat-Kinh-Ky as Annam, and Gia-Dinh as Cochinchinese. The prominent character of the local government system is decentralization in Tonkin and Cochichinese region. It was said that there was a lack of unifying in public administration between the North region (Tonkin) and the South region (Cochinchinese) due to the limitation of a newly established dynasty. In this stage, the Gia-Long emperor inherited the old regime's organization model, and he used the different public administration apparatuses in different regions with high decentralization. Since Minh-Menh emperor took over the power, he especially cared about the grass-root public administration level; he tried to bring Cochichinese tightly within the standard organizational structure of the state (Osborne, 1969). "The ideal held that all Vietnam was one and Minh-Menh believed rigidly in that ideal" (Osborne, 1969)p11. At this period, the primary mode of production was agriculture. Therefore, the local government was organized based on the number of males and the number of land acres at the grass-root level for collecting tax conveniently. The country's structure included five levels: regional, provincial, district, "tong" and communal. The Minh-Menh emperor cared about the grassroots level to step by step, limit the power of tribal chieftain, and apply the Vietnamese language in the whole of the country. He also built a law framework to ensure the multi-level connection between public administration levels. The feudal public administration apparatus under the Minh-Menh emperor was consolidated and perfected and became the most prosperous period in the Nguyen dynasty.

4.1.1.2 Local organization in Vietnam in French colonial period

In 1858, France kicked off to occupying and imposed the colonial mechanism into the Indochinese peninsula, including five regions: Annam, Cambodia, Cochichina, Tonkin, and eastern Laos. The Nguyen dynasty promptly surrendered and signed the official documents that accepted the French protectorate (Harmand Treaty and Patenotre Treaty). According to these treaties, Vietnam was divided into three regions with different colonial mechanisms. Tonkin region was half-protectorate land where the regional authority used the same old public administration with levels below the provincial level. Otherwise, the central power was controlled by the French. Annam region was protectorate land, and the French keep the old Nguyen feudal apparatus and the local governments; however, in fact, all of the state affairs had to report to the French. Cochichinese region was the colonial land which was organized in the new French way. However, it is little interested seen that Vietnamese pronunciation in three different regions is distinctive, thus making cultural differences in each three regions. It is easily argued some origin of a Vietnamese to listen to their pronunciation.

To sum up, along with the history of the country's progress, the establishment of three regions, including the Tonkin region, the Annam region, and the Cocochinese region has been enlightened clearly. Although there is some unification of the country, the authority always tries to make the homogeneities of language and voices spread its culture on the whole country. Although the regional development institution at the feudalism and the colonist stages, basically,

there are differences among the Vietnamese statehood on regional and local development of three regions.



Source: Edit by the author

Figure 5. The regionalism in Vietnam in historical perspective

4.1.1.3 Local organization in Vietnam in socialism period

Trajectory of territorial policy in Vietnam

Period 1: Agricultural economic management reform

The good fortune of Vietnam comes from the start of economic reform, and Doimoi is another name for reforming the agricultural economy, which has given rise to the real impetus of the economy. According to Vo (2009), Vietnam began to cultivate radical progress in microeconomics reform including almost free price, massive devaluation and unification of the exchange rate, increase in interest rate to positive level in real terms, a substantial reduction in subsidies to the SOE sector, agricultural reform through household production responsibility system, the removal of domestic trade barriers. Meanwhile, poverty had existed throughout the country in the 70s and 80s of the 20th century, the reform of the microeconomic management system in agriculture has created a breakthrough in productivity. Vietnam had still been the highest proportion of the rural population in the world at the time; the majority of people in rural areas had been farmers. With favorable natural conditions and diverse crop structure, Vietnam has quickly escaped from poverty and reached to become one of the world's leading agricultural exporters (Pham, 2015b). The development of agriculture and the mechanism of economic management of farming have entirely changed the face of the countryside. All regions with

favorable conditions for the agricultural event, such as the Red River Delta and the Mekong Delta, have quickly become the driving force for national development.

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

According to Vo (2009), there was a wave of investment growth in foreign investment between 1993 and 1997. The country received foreign investment from some 60 countries. The law on foreign direct investment (FDI) promulgated in 1987, and the revised amendment enabled Vietnam to attract a large volume of FDI capital to renew the technology and expand the market. The FDI capital has become an integral part of Vietnam's economy and an essential factor in Vietnam's economic growth during the 1990s.

Policy territorial approach	Territorial marketization approach	Investment-attraction localization approach	Urban conurbation and rural development approach	Synchronized territorial approach
Orientation framework				
Policies and reforms	Household production responsibility system. <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;">Resolution 10/1988</div>	<ul style="list-style-type: none"> - The economic territories Industrialization at localities -Support to remote areas <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;"> Decision 747/1997 Decision 1018/1997 Decision 10/1998 National goal program 135/1998 </div>	<ul style="list-style-type: none"> -Hanoi conurbation -Building new countryside <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;"> Resolution 15/2008 Resolution 26/2008 Direction 800/2010 Direction 899/2013 National goal program 60/2007 </div>	<ul style="list-style-type: none"> - Regionalism, regionalization, new decentralization, and smart city <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;"> Congress XII of CPV 2016, Instruction 16/2017 </div>
Main territorial development issues	Poverty in the whole country	<ul style="list-style-type: none"> -Low-income economy -Poverty in mountainous and remote areas 	<ul style="list-style-type: none"> -Urban-rural disparity -Climate change and natural disasters 	<ul style="list-style-type: none"> -Weak resonant agglomeration -Inter-regional and urban-rural disparity -Severe remote areas -Extreme natural disaster
Time	1986-1998	1998-2008	2008-2016	Since 2017

Source: Edited by the author

Figure 6. The territorial policy in Vietnam since 1986

Period 2: The new impetus for local growth

It had been a further period of change since the Ninth Congress of CPV (2001). The concept of industrialization and modernization is conveyed through new perspectives in the

metropolitan and rural areas. In addition, the formation of national economic planning includes six socio-economic regions and three vital industrial regions (Decision 747/1997). The CPV's view on rural areas has been further improved with the policy of poverty alleviation in the mountainous areas in the Northern mountainous region, the Central Highlands and the Central Coast region. Furthermore, CPC also had encouraged the development of many economic sectors, especially foreign business sectors.

The policy of industrialization and modernization of the country in this period is associated with absorbing FDI since 1988. Vietnam is the destination of nearly 15.2 thousand FDI projects (Nguyen, 2013b). In 2000, there was a wave of private sector development through the implementation of the new Enterprise Law, and between 2000 and 2004, there were 90,000 private enterprises registered under the new Enterprise Law. FDI, in the same period (Vo, 2009).

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

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

Period 3: Restore the agricultural and rural policy

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

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

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

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

Period 4: A new orientation in regional development policy

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

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

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

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

4.1.2 The analysis of regional structure of Vietnam

Although Vietnam has a long process of different strategies of types of states, some remarks from different projects of the states and Vietnamese territory still make a clear vision of its structure. The author attempt to identify the interaction between regional structure and the structure of public authorities on its territory.

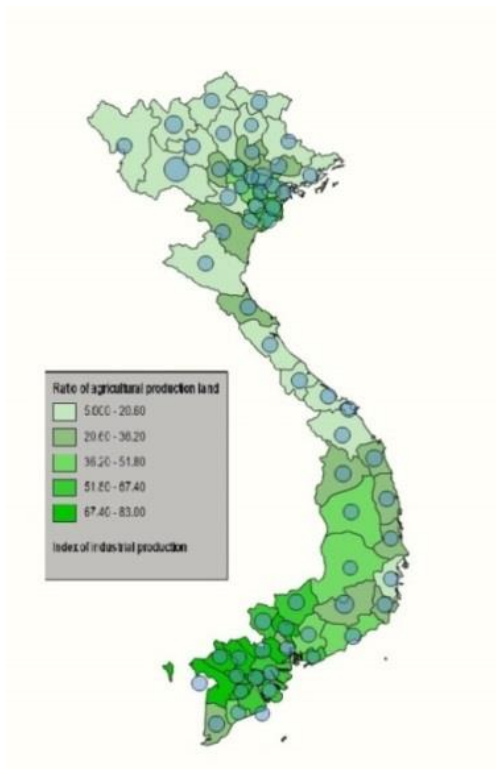
The territorial progress in Vietnam

The territorial challenges have gone along with the territorial progress in Vietnam for decades. During the process of industrialization and modernization of the country, Vietnam is moving its territory in three main directions.

First, Vietnam has tried to shift its economy with high agriculture rates to the savings with high industrial and service standards. All localities have been intensely aware of the shift from agricultural production to industrial production and mass production. The local transformation has been associated with the financial restructuring of the national economy. In the process of economic restructuring (increasing the proportion of service industries - high productivity sectors reducing the portion of agriculture -areas with lower labor productivity), the territorial structure was also shifted powerfully due to the high wave of foreign direct investment (FDI), the support from the policies of the Central Party of Vietnam and its government.

Second, localities' progress is directed towards the development of urban territory separated from rural development. In the beginning, the wage of FDI only concentrated in big cities with favorable infrastructural development conditions such as the Red River Delta region, Eastern Region (Nguyen, 2013b). In the beginning period, FDI only concentrated in big cities with favorable infrastructural development conditions such as the Red River Delta region, Eastern Region (Nguyen, 2013b). During this period, the FDI has also been concentrated on the exploitation of natural resources and import substitution industries. In the latter stage, along with developing industrial parks and hi-tech export processing zones, thanks to the policies of decentralization to localities, the FDI capital has been attracted by many localities where neighbors big cities. In the latter stage, FDI flows are tending to focus on export-oriented industries. Then, the localities' progress from the FDI capital is expanded more in many locations. By 10/2013, the processing and manufacturing industry accounted for 53.03% of projects and 53.16% of total registered capital (Nguyen, 2013b).

Lastly, the fragmented local structure intended to ensure political security in the beginning. However, its mechanism helps for the process of industrialization and modernization with a substantial increase in the FDI capital. The progress of local development in Vietnam has also had a significant impetus to make different results.



Source: Vietnamese General Statistics Organization, 2015

Figure 7 . The structure of the ratio of agricultural production land and index of industrial production by provinces in 2015

Although the wave of FDI and the progress of localities have created an enormous transformation in the territorial structure, Vietnam is proof of the risk of the place-based policy. Policy risk, as mentioned by Barca (2009), p. 27 is a very prominent issue in Vietnam today. It includes the following points. First, due to the fragmentation of the political and administrative system in Vietnam, agglomeration is impeded; the overall effect is low. Second, the preference for development investments from the central government creates small or irreversible investments that have the potential to grow, creating a new dependency on external resources. Third, responsibility for guiding and enforcing local policies also calls for specific central government guidelines to develop a system of ineffective sluggishness. Fourth, there is a failure to create a connection between ideas and actions among stakeholders in the investment management process. Fifth, there are failures in the construction of local goods and services such as health education due to huge investment demand from all localities. In addition, the terrain factor also limits the mobility of the locations.

Some characteristics of Vietnamese territory

The Vietnamese territory has changed after some decades of implementing place-based policy and localism at the provincial level. Some characteristics of Vietnamese territory have been identified below.

Firstly, there is a divergence between the urban territories and rural areas.

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

Vietnam's territory was fundamentally turned towards the urban and rural lands and the economic provinces in the Red River Delta and the South East region.

The urban territory in Vietnam

Urban territory in Vietnam has a bipolar structure with two major metropolitan areas: the Red River Delta and the South East region (Figure 4). Hanoi and Ho Chi Minh city quickly became the two leading urban territory of the country (Ngo, 2016). Following the wage, the urban territorial development of Hai Phong, Da Nang, and Can Tho cities has also created critical territorial complexes in the country's development. These cities have become the nation's major cities and regional economic and social centers (Huynh, 2016, Nguyen and Nguyen, 2016). Throughout the two decades of the 21st century, along with the active involvement of local land policy, labor market demand, favorable socio-economic conditions such as health, a massive influx of immigrants, the resonance has created in the major urban centers. The change in migration creates excellent variations in local development. One prominent feature is the city conurbation, evidenced by the merger of Ha Tay province into Hanoi. The new light industrial belts have been formed around urban areas such as Bac Ninh, Dong Nai, etc (Vo, 2016).

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

The rural territory in Vietnam

In another side, the local development in rural areas, after more than 30 years since Doimoi, rural areas (along with agricultural growth) was "the engine of material wealth that feeds most of the population, creating a large accumulation of economic development, as well as a shield to support for social stability before all fluctuations of the economy" (Dang 2011). The standard of living in rural areas is variable; most of the peripheral areas have electricity, internet, inter-commune traffic, clean water, health, education, but all of them have been still supported at a much lower level if compared to urban areas.

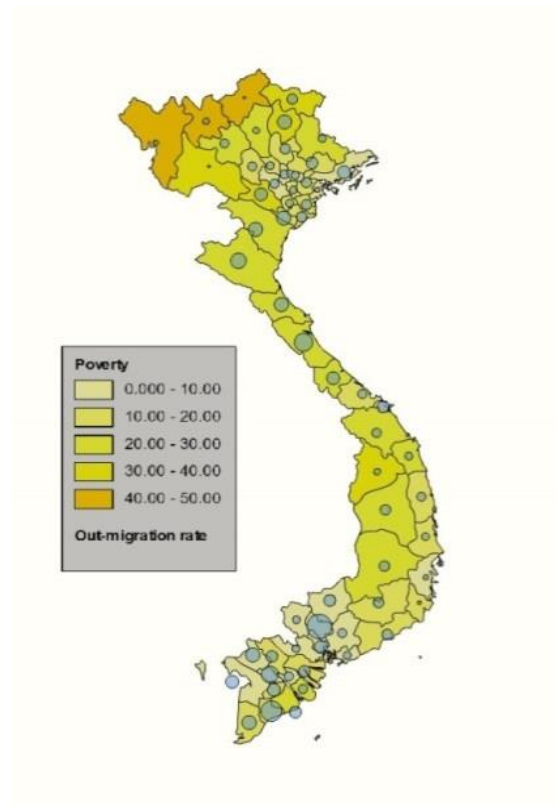
As a result, rural territory has transformed significantly in the three past decades. After the revolution of economic management of farmer's household since 10/1988, the rural territory in Vietnam has an enormous transformation from a country who has a high poverty's rate to become a state member of rice exporter on the world with the excellent capacity for food security, even a top country in exporting rice and agricultural products. The rural territory has also changed quickly, with the rate of using agricultural land increasing highly, with more and more agricultural infrastructure established and operated effectively. The structure of agricultural regions has been created since then, based on the planning system of agricultural land. The regions where has developed agricultural system has been honored the Red-river delta and Mekong-river delta.

However, in the past ten recent years, along with the progress of society and the process of decentralization for sixty-three provincial authorities regarding planning and FDI investment attraction, the establishment of the structure of urban agricultural rings has been more and more visible, thus creating a divergence between urban areas and rural ones. The state management system of agricultural households lost the growth dynamics; the rural territory has lost the main engine to grow continuously. Thus, the rate of agricultural land decreases; recently, agricultural land abandoned has been gone up. Despite this, the wage of FDI enterprises occupied more and more rural areas in ten recent years, thus partly improving the standard of living for rural people. However, almost all of the FDI enterprises are still located in some regions with sound economic and social conditions such as dense populations and favor transportation systems like Red-rive delta and Mekong-river delta.

The system of rural areas that have been socially exclusive still got stuck behind to follow the economic poles in growth. Some of them could be listed, such as the North-West areas of the North and the Central Highland. The poverty could come back anytime in these regions (Figure 8). The figures also pointed out that the migration capacity is still low.

Secondly, there are economic and social disparities among regions.

Regional disparities are shown in Figure 7 of rural poverty. The two poorest regions in the country are the Northern Mountains region and the Central Highlands. However, they are the cases with very lowest migration rates. Figure 2 also shows that the high level of migration is from the provinces with moderate poverty rates, where has more favorably mobility.

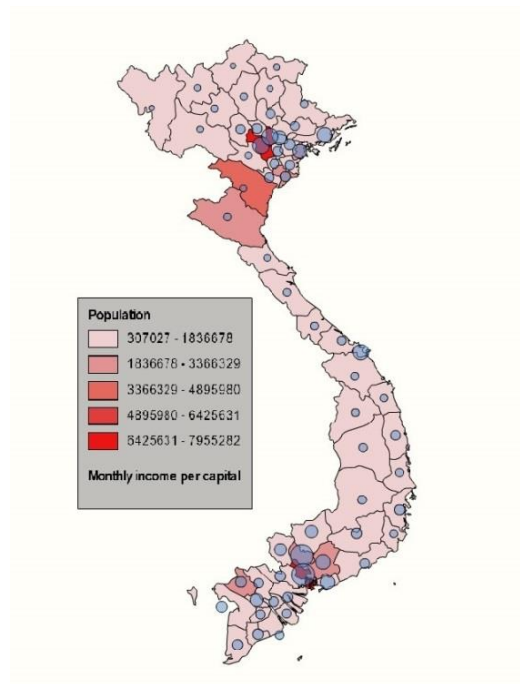


Sources: Vietnamese General Statistics Organization, 2015

Figure 8 . The structure of poverty and out-migration rate by provinces in 2015

Besides, there are some other challenges in the development process of its territory. Firstly, although Vietnam is in the golden period of its population with abundant human resources, 53 million people are at working age, Vietnam still has low-quality human resources in the region (ASEAN), high-level human resources in many fields missing. Annual economic growth remains broad, mainly based on increasing fixed asset size, investment capital, resource exploitation, and cheap labor (Dang, 2011). In other words, the quality level of human resources and its territorial structure are the enormous challenges for Vietnam's development. Furthermore, facing the new challenges of global climate change, Vietnam is strongly influenced by climate change. There are more and more natural calamities with an increasingly devastating effect on Vietnam. Rural areas, underdeveloped areas, coastal areas, are frequently affected by global warming. According to a World Bank report, if sea level rises by 1 meter, Vietnam will lose 5% of its land area, 7% of agricultural land and 28% of wetland. In the worst scenario, rice yields fell from 12% to 24% in the Mekong River Delta.

Figure 9 shows the population in the Red River Delta and the South East region. These are the two regions with the highest monthly income per capita in the country. Another highlight in the central area is the monthly income per capita in Da Nang is the most senior in the Annam region.

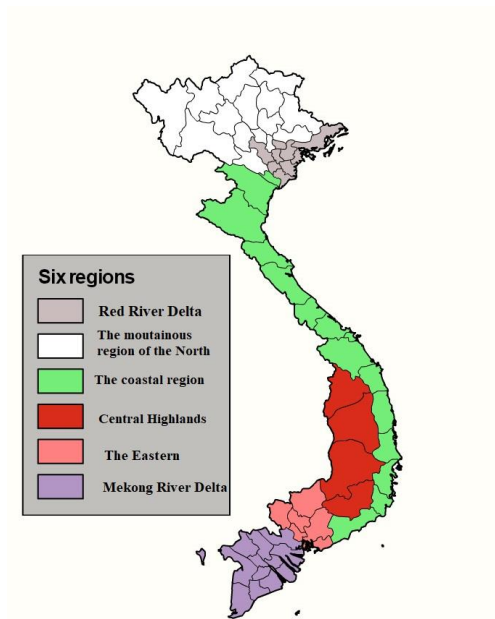


Source: Vietnamese General Statistics Organization, 2015

Figure 9. The structure of population and monthly income per capita by provinces in 2015.

The regional structure in Vietnam

Although there are many alignments in the regional division for economic growth, there are many orientations for developing localities in different ways, there a sharp boundary in the regional division in common perception for regional planning following by agricultural land planning at present. Therefore, Vietnam has still divided its territory into six main statistical regions including the mountainous region of the North (MRD), Red-rive Delta (RRD), the coast region (PERM), Central Highlands (CHs), the Eastern and Mekong-river Delta (MRD) as the Figure 10.



Source: Edited by the author

Figure 10. The structure of six main statistical regions in Vietnam

In the process of development, the regional division, as above that has been perceived following by the situation of agricultural land planning, is a useful and suitable reference for the development of Vietnam in some past decades. It helps Vietnam overcome many difficulties of the poverty situation in the central planning socialism-orientation period, overcome many economic crises, and bring Vietnam to become a top country of rice exporters on the world.

The territorial progress in Vietnam in the socialism-orientation stage has many different points comparing to one in the previous period. The territorial division for economic development in Vietnam in the period also has many different features. In the process, due to the more effective change of agricultural mechanism and the increasing freedom level of agricultural-production management, plus the powerful FDI capital, the development of localities has been much fast and vigorously in economic scope and has got many enormous achievements in poverty reduction and hungry erasement. The mechanism of territorial development has created a significant breakthrough, and the Vietnamese authority got many brighter visions of general planning for regions in the next long-term and sustainable stage. The first period may be a new impetus for urban regions such as Hanoi region, Ho Chi Minh city's region, then the innovative spread for some cities' region such as Hải Phòng, Đà Nẵng, and Cần Thơ. However, the coordinating mechanism of synchronization development for the region has still been low, thus creating enormous territorial crack at the regional level. In other words, the inter-regional gap has been recognized. Although the central government has made great efforts to improve the Annam region's economy, the area has remained weak agglomeration for many years and has not produced coordinated resonance in the region. In addition, this area has many problems in sustainable development, migrant farmers, and exploitation of natural resources,

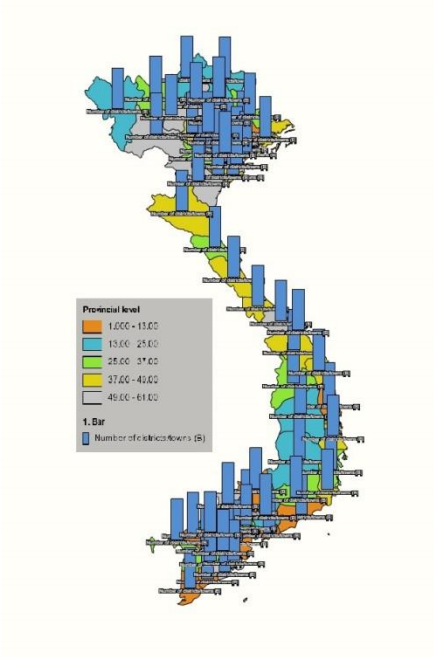
destruction of wildlife, ecological imbalance, etc. This area is also suffering from natural disasters such as typhoons and floods. Some localities have known as the severe regions with social exclusion in some places.

To sum up, it is my belief that the regional structure of Vietnam has been identified clearly. Although there is a fragmentation of the division of localities, the region's structure is visible in Vietnam.

4.1.3 The analysis of the regional development institution in Vietnam

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

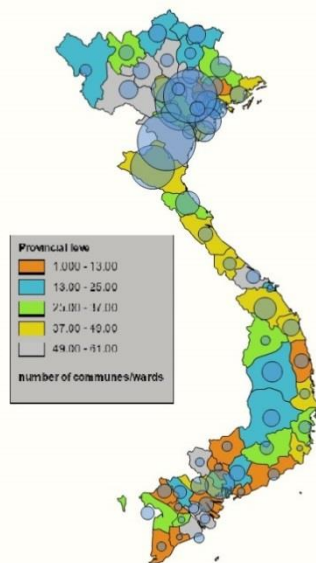
The statehood institution system in Vietnam is structured in three vertically arranged systems, including the party system, the state system, and social organizations after the country's unification in 1975. As mentioned above, the territory is divided into 63 local units. A robust decentralization process took place from the 1990s until the mid-2000s. The formation of 63 localism led to the creation of five key areas: local land planning, investment, and natural state management. The localism process of the 63 areas creates a significant proactiveness in the localities to mobilize available resources and to orient their development according to the local approach.



Sources: Vietnamese General Statistics Organization, 2015.

Figure 11. The structure of a number of district governments by provinces in 2015.

The localism process of the 63 areas creates a significant proactiveness in the localities to mobilize available resources and to orient their development according to the local approach. The formation of 63 localism is also a good foundation for reducing the political risks and even autonomous claims of localities. For localities with geographical advantages such as the peripheral regions of the Red River Delta and the South East, these local governments are rapidly adopting the convergence of the principle of industrialization and modernization orientation. Local authorities also take the initiative in implementing domestic development tasks such as regional redistribution, public services, resource exploitation, etc. With locations with inadequate resources and place, they are stuck with development issues; projects are often just oriented, and depend heavily on the central budget.



Sources: Vietnamese General Statistics Organization, 2015

Figure 12. The structure of a number of communes/wards governments by provinces in 2015.

Although the structure of national state management has been thriving for many years after the Doimoi, the vertical-dimensioning mechanism of the high-power regime described as a bureaucratic system by Kornai (2008) has been reduced the professionalism of the system. Leaders of localities need to be more loyal to the Party system than their professionalism in the implementation of development policies. After many years of operation, the number of civil servants in the localities increased sharply, the short-term expenditures of districts increased, local budget income from taxes decreased, and there was not much budget for investment in

infrastructure development and public services. It has been a significant issue in many territorial disputes over recent years.

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

More recently, horizontal dimension coordination is gaining more attention. Workshops such as the Central Economic Co-operation Forum and the Mekong Delta Economic Cooperation Forum have been held annually since 2014. Many scientists and policymakers participated in many proposals to minimize the overlap in regional development plans, to build local coordination mechanisms. Regional integration has increased efficiency in the context of new globalization, reduced unhealthy competition from local authorities, increased resonance in regional development activities. The effective regional coordination mechanisms for Vietnam are paid much attention to academics and policymakers. It is expected that there should be an efficient regional linkage mechanism among localities to promote local development shortly.

However, it is seen from Figure 11, and Figure 12 above, there is no difference among the state institution at the regional level, but there is a high homogeneity among localism institutions. Both of the figures also point that there is no difference in management mechanism of the state at the regional level, no difference between rural and urban statehood, between the dense-populated region and sparse-populated region, and between the region with a high proportion of agricultural and region with a high proportion of the industry, thus not promoting the regional efficiency and effectiveness of resonant agglomeration from the territory. It does not also make a distinction in the implementation of regional development policy. Moreover, the fragmentation of localities or localism inside each region does drag both the optimization of regional capitals and the foreign capacity of cross-neighbor regions. Even the competitiveness among localities in attracting the FDI capital also creates some barriers to cooperation in regional development. To sum up, I am convinced that the regional development institution in Vietnam for implementation is vague.

4.2 The analysis of multi-level regionalism in Vietnam in 21st century

In recent years, the transformation of statehood has appealed attention to many scholars in many sectors: politics, economics, public administration (Brenner, 2004). In the globalization context, many scholars predicted an inevitable death of national state power because of borderless and global economic integration (Strange, 1996b, Hardt and Negri, 2001, Ohmae, 1996). However, the new forms of statehood have been establishing in response to international

and domestic pressure (Brenner, 2004). These contemporary studies concentrated on two scales: national and supranational (Brenner, 2004). According to Brenner (2004), new formations of political, economic space are re-established by three contemporary global mainstreams, including global economic integration, regional and urban resurgence, and the consolidation of the supranational and cross-border institution. These trends have been articulating by trans-local linkages and cross-border cooperation initiatives among local governments (Perkmann, 2002, Hocking, 1999).

Previously, new regionalism involves the emergence of new forms of governance in state-society paradigms that suggest that new ways of politically relevant action beyond the state and the seeming inflexible territorial of the country. It can also be understood as paradigm integrated notions of economic dynamism, administrative efficiency, community- empowerment, civil society, responsive governance within a spatial framework of the regions (Scott, 2009a).

According to a recent approach of Jayasuriya (2009), a conception of 'regulatory regionalism' gradually established the transformation of the social space in individual countries in Asia-Pacific. This mechanism is not only driven by economic and trade integration, but it also governs and coordinates regulations of a broad region such as infectious diseases and money laundering. Besides, national member initiatives given to national members are weighted pros and cons carefully to the emergence and consolidation of the regional institution. Regionalization is emerging as the process of transformation of state space transcending traditional territorials of the state for cross-border cooperation (Jayasuriya, 2009). However, he also argues that these regulatory regionalizations need requirements relating to harmonization of standardized codes and rules such as transparency, cooperation capacity, and microeconomic policies. Besides, this type of governance is still rudimentary as a new form of management in Asia- Pacific (Jayasuriya, 2009).

In the European Union, the issue of multi-level governance has become more energetic and more drastic in management science forums. The redefinition of state sovereignty, territorial reconstruction, transnational cooperation is changing in the context of globalization not only in Europe but also in the world. Multi-level governance has become more important to European countries than ever by a genuine approach to exogenous access to injustice in the past, which is an internal problem of the nations.

According to Piattoni (2010), multi-level governance can be understood as political mobilization, either a policy-making or a political-structuring. MLG levels were initially defined as the territorial government rather than functional jurisdiction. Old European management systems form MLG type I mainly using federalism and international cooperation. In the context of the new trend of EU formation and development, there is a stronger interaction between European countries. In the context of integration, the creation of type II MLGs is becoming increasingly prominent and widespread throughout Europe thanks to the trans-national cooperation and regional corporatism.

Considering Vietnam's governmental levels from the perspective of multi-level management doctrine, Vietnam's mechanism is more closely linked to multi-level governance (MLG) type I. The decentralization of federalism to local governments is evident in systematic documents of Vietnam. The interactions between local governments are improving but only in the inter-relationships of local governments. All non-government organizations are formed in a vertical manner, such as farmer associations, tea associations, coal associations, etc. This type of cooperation creates difficulties in the horizontal dimension coordination mechanism in Vietnam.

In the current context, instead of deciding the current administrative mechanism, we can create a more flexible multi-level system; in other words, integration is another factor to consider in the context of globalization today. Nevertheless, multi-level management should be flexible in each specific policy group; it is not necessary to distribute all policies to all of the provinces as well as not necessarily allocate resources for the same all of localities as the present.

4.2.1 Regionalism – the extended development spaces

4.2.1.1 China - Great Mekong Subregion – Vietnam

Historically, the conception of Indochina was born in the nineteenth century under French colonialism. The successful anti-colonial battles in Indochina peninsular have brought a vision of intimated cooperation among Cambodia, Laos, and Vietnam (CLV) since 1975, and there are many principal arrangements signed by three countries from then (John, 2006). However, it seems that the concepts of the Indochina peninsula are gradually anachronistic because each nation is seeking competitive advantages in the new market-principle context. The seed of regional regulatory framework was initiated as "Committee for Coordination on the Lower Mekong Basin" in 1957 and later as the "Mekong Committee" (MC). After a long, turbulent history, it became the Mekong River Commission (MRC) (Verbiest, 2013).

The success of the international lending organization addressing the development gap within the region, particularly the Asian Development Bank (ADB), brought a new configuration within the region in the 1990s. With the support of ADB, China Yunan's government inclusion created a new structure for the region called Great Mekong Subregion (GMS) in 1992 (Su, 2014, Verbiest, 2013). GMS programs provide a coordination platform for member states in cross-border and economic development (Su, 2012b, Su, 2014).

At the beginning of the GMS program, strategy framework is agreed to focus on physical connectivity, and the first "C" later would become the three "Cs" – connectivity, competitiveness, and community (Verbiest, 2013). In the basement of the GMS Summit in Phnom Penh in 2002, the comprehensive strategic framework for the subregion's development was established. It includes five strategic thrusts to develop infrastructure linkages and human resources, to promote cross-border trade, investment, private sector participation, and protect the natural environment (ADB, 2011b). Along with the GMS cooperation's strategic framework, a

range of programs for GMS cooperation on cross-border transportation, tourism, power trade, and private sector inclusion are issues in detail (ADB, 2011a, ADB, 2011b, ADB, 2011c, ADB, 2012a, ADB, 2012b). The influence of financial governance systems, particularly ADB, provides new patterns of policy experimentation and innovation in multi-level governance (Jayasuriya, 2015). proposes that the leading development of new regionalism in East Asia is established from finance and trade perspective and regional operation, and integration activities have particularly orientated the process of development of less developed countries. Similarly, Jayasuriya (2015) proposes that the significant role of ADB, a rigidity of formal intergovernmental mechanism and post-Fordist supply-side industrialization, has shaped the development of Asian capitalism.

Since the beginning of the millennium, the Mekong regulatory regionalism has changed by a range of new cooperation agreements with Japan, Korea, Singapore, Australia, and the US. Firstly, there are some other programs initiated by Japan's Forum of Comprehensive Development in Indochina 1993 and ASEAN-MITI Economic and Industrial Cooperation Committee in 1998 to support training and to build capacity for the Mekong region. These programs have continued to be concretized by the Mekong- Japan action plan 63 and 'Tokyo strategy 2012' (Sudo, 2004, Verbiest, 2013). Korea had also emerged as an essential partner to develop and to accelerate the Mekong region integration into ASEAN when he committed to double overseas development assistance (ODA) to Asian between 2008-2015, especially, he also is one of the largest investors in Vietnam. In 2009, USAID was supported for the Mekong region to mitigate environmental issues in infrastructural development. Besides, Australia has also supported the development of areas such as some projects of building significant bridges over the Mekong River, against HIV transmission, of reducing ASIAN disparity as IAI (Verbiest, 2013).

4.2.1.2 ASIAN regulatory regionalism

The ASIAN was founded in 1967 with the primary focus on regional security. However, ASEAN's creation has never been a big plan for regulatory regionalism in Southeast Asia. Previously, the members do not feel the need to create a robust regional institution. Only after the Asian economic crisis, the member states tend to tighten more economic cooperation.

Recently, in the context of globalization and the high regionalism, the institutional framework of ASIAN shows many weaknesses and inadequacies with new development trends of the region. The decision-making system based on the consensus of ASIAN makes the procedures slow, in fact, and the process of operation becomes cumbersome and delay. The financial contributions from the member states are limited, and applying the structural budgetary ceiling is low because of the limited financial resources of the member states such as CLMV (ADBI, 2014).

However, the regional cooperation framework of ASIAN regionalism tends to shift towards a more robust economic community by 2030, with four principal goals. This structure is

the more robust potential institutional framework before with the help of the ADB. This institution is formed from three different previous programs of ADB, including Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area (BIMP), Greater Mekong Subregion (GMS), and Indonesia–Malaysia–Thailand Growth Triangle (IMT-GT) (ADB, 2016). It is a necessary step towards a balanced Asian- Pacific region by the ADB with the emerging rise of China and the establishment of new Asian Infrastructure Investment Bank. It is a shift towards better suited to the trend of globalization to ensure development benefits within the member states and to the regional competitive capacity.

However, the new institutional framework has also the potential risks if the institutional framework rules of ASIAN do not guarantee to narrow the development gap between the ASIAN-6 and the CLMV members in the process of forming the new regulatory rules of ASIAN. The new institutional issues should be reviewed to ensure countries' compensation mechanisms adversely affected by integration; therefore, there will be more of these considerations of member states in the process of institutional reform of ASIAN (ADBI, 2014).

Regulatory regionalism has been more exciting with China's emergence after becoming the second-largest economy in the world. The Chinese proposal of Regional Comprehensive Economic Partnership with ASIAN + 3 countries shows not only its expectations on integrated economic regionalization but also its desire for international economic liberalism. Nevertheless, the US proposal for Trans-Pacific Partnership (TPP) is a contrasting example of regulatory regionalism competition (Jayasuriya, 2015). One distinctive dimension of TPP is to focus on economic integration intensely and to stipulate regulatory regimes such as environmental policy, labor regulations, food standards, and even social policy (Jayasuriya, 2015).

Recently, Asian Pacific regulatory regionalism had changed more powerfully when a new President Xi took over in China. One Belt One Road, as a Chinese regional development strategy, moves the market dynamism from the east to the west and promotes international economic liberalism. A new Asian Infrastructure Investment Bank has been born with the objective of expanding its influence on the Asian Pacific region, and as a strategy for the US Asia rebalance policy. It has asserted to complement financial capital for ADB and World Bank to promote interconnectivity and economic integration in Southeast Asia. Besides, another function is to implement the 'One Belt One Road' initiative with \$40 billion (more than two-thirds of initial capital) (Ren, 2016). As a promising potential, the new financial institution enables China to build a new regulatory regionalism in the Asian Pacific.

In the context of geographical influence clash between the US and China, South China Sea has become an international conflict between the US, China, India, and Southeast Asia countries over sovereignty, resource, and security (Roszko, 2015). It can be a hot issue and an unstable indicator of regionalization and regulatory regionalism process. Because it located at the center of Asia Pacific, in trade linking the Pacific Ocean with the Indian Ocean, connecting economic zone in Northeast Asia like Korea, Japan, and China with India – the door of Europe, it can be used as a dominated tool to control the regional economy and politics (Till, 2013, Kaneda, 2013).

In short, it seems that the Vietnamese state political strategies can influence the direction of the institution or regularization in the Asia-Pacific region. Vietnam has many advantages in the geopolitics of the Asia Pacific and the ASEAN region, even Vietnam was the center of GMS region, therefore, Vietnam state spatial strategy, not only articulates state spatial institution (Brenner, 2004), motivates forces within society but also it has a vital role in extra-regional development strategies and regulatory regionalism.

Table 11. The supra-level regionalism in Vietnam since 1957

	Members	Stage	Objectives	General Policy Framework
GMS	1992- now China, Thailand, CLMV	1992-2002	Connectivity Competitiveness Community	ADB(2009) - Strategic framework and action plan for human resources development in the greater Mekong subregion (2009-2012) ADB -(2009)- The Economics of Climate Change in Southeast Asia: A regional Review
		2002-2012	To strengthen infrastructure linkage To facilitate cross-border trade, investment, and tourism To enhance private sector participation and competitiveness To develop human resources	ADB– (2010) - Transport and Trade Facilitation in the GMS: Confronting Rising Inequality in Asia ADB (2011) - Greater Mekong Subregion Cross-Border Transport Facilitation Agreement Instruments and Drafting History –
		2012-	To protect the environment and to promoting the sustainable use of shared natural resources	ADB –(2011)- The Greater Mekong Subregion Economic Cooperation Program Strategic Framework ADB–(2011) - Greater Mekong Subregion: Tourism Sector Assessment, Strategy, and Road Map ADB–(2012) - Greater Mekong Subregion Power Trade and Interconnection ADB–(2012)- Trade and trade facilitation in the Greater Mekong region
MRC	MC: Thailand (C)LV,	1957- now	To manage Mekong water resource	- MRC – (2011) - Integrated water resources management-based: Basin development strategy

	Members	Stage	Objectives	General Policy Framework
				- MRC –(2011)- Strategic Plan 2011–2015
Japan-Mekong Cooperation	Japan, Thailand, CLMV	1994-1997	To provide training and capacity building	MOFA (2004) -Joint press release of Cambodia, Laos Vietnam (CLV) and Japan Summit MOFA (2008) - Mekong-Japan action plan 63 MOFA (2012) - Mekong-Japan action plan for realization of the “Tokyo Strategy 2012”
		1997-2004	To support ASEAN integration	
		2004-2012	Economic Cooperation and Development	
		2012-now	To enhance Mekongconnectivity Developing together Ensuring human security and environment sustainability	
South Korea-Mekong Cooperation		2008-now	To develop Mekong region To accelerate ASEAN integration	MOFAT (2011) - Han-River declaration of establishing the Mekong-ROK comprehensive partnership for mutual prosperity
Multinational LMI	US, Thailand, CLV	2009-2012	to foster sub-regional cooperation and capacity building in areas of education, health, environment, and connectivity	Department of State of the United States of America (2012) Lower Mekong initiative.
	US, Thailand, CLMV	2012-now		
ASEAN–Australia	Australia, CLV	1994-2000	Connectivity Trade	Australia AID (2012) Australian Mekong water resources program annual program

	Members	Stage	Objectives	General Policy Framework
Development Cooperation Program	Australia, ASEAN	2000-now		performance report 2011
IAI AFTA	ASEAN	1967-now	To narrow development gap within ASEAN Free trade	ASEAN (2009) Initiative for ASEAN integration (IAI) strategic framework and IAI work plan 2 (2009-2015)
RCEP	ASEAN, China, Japan, South Korea, India, Australia, New Zealand	2012-now	Free trade	Under negotiation
TPP	Australia, Brunei, Canada, Chile, Japan, Peru, Singapore, United State, Vietnam	2008-now	Free trade Regulatory regionalism	Under negotiation

Source: Edited by the author

4.2.2 The internal development institution

This part is to make a more precise regional development institution, and how this organization works, why local development is not effective in Vietnam. It is also a policy's platform for regional development. It is also a useful reference for regulation quality reform, one of the weakest in six indicators of the World Governance Index (World Bank, 2016). In other words, regionalization refers to the national processes of decentralization and subnational processes of region-building with the purpose of enhancing the effectiveness and responsiveness of governance (Scott, 2009a).

Modification of alternative framework (Keating, 2013a), a regional development institution in Vietnam, is divided into five dimensions: regional articulation, planning, redistribution, allocation, and policy-building. It is shown in multi-scalar dimensions by regions, provinces, and areas to highlight the regional development institutions in Vietnam.

As far as regional articulation is concerned, on another scale, the primary responsibility of the extra-regional dimension or transnational cooperation belongs to Central Government (CG). At this level, the Ministry of Foreign Affairs was assigned to take charge of and help the prime minister commit bilateral, multilateral, and free trade agreements. Although Vietnam has been a member of these arrangements for many years, its economic function of foreign affairs had not been highlighted. The international financial issues have become one of the most critical goals in foreign affairs after Vietnam joined the WTO in 2007 (Vietnam, 2010). Many provincial authorities have established their department of international relations in provinces with the border or border gates, even in regions with large industrial and economic zones (Government, 2014).

As for the intra-regional articulation or provincial coordination linkages at the regional level, it inherited from war period has functions as regional political security in three central regions: Central Highlands (CHs), mountainous area of the North (MRN) and South West Region (SWR) where always have many hot issues in political issues. Each region has been taken charge of by a vice Prime Minister with the consultation from the Ministry of Defense (MD) and Ministry of Police (MP). In recent years, these regions have been motivated to link each other in an economic way (Vietnam, 2012).

In term of regional development planning, the leading local development planning framework issued in five-year state for five regions including Pivotal Economic Region of the North (PERN), Pivotal Economic Region of the Middle (PERM), Pivotal Economic Region of the South (PERS), Red-River Delta (RRD) and Mekong-River Delta (MRD) in practice. These region plans are the most critical documents in regional development plans that confirm the

local potentials, assess the development status quo of regions, and spatial orientation for local development. After that, provincial People's Committees enact provincial plannings based on the regional strategic framework. It makes overlapping in planning function that created many violations and corruption in land management. Moreover, I strongly believe in (Painter)'s view that Vietnam is governed by the fragmented and incoherent institution that makes party-state control and ability weaker. From the diagram, we can see that there is a vague responsibility for regional development between the central and provincial governments. Both of them make innovative policy framework for localities where they are assigned to control and develop it. According to some economists, the rationale behind this is that local government is greatly empowered autonomy in development planning, and it has the right to decide the construction of infrastructure in its region (Nguyen, 2013a). At this point, the author would like to stress the land policy as the development planning function because it tightly attaches to the state spatial projects and the national development issues. There is overlapping responsibility on development issues at CG level when MIP enacts regional development planning, Ministry of Natural Resources and Environment (MONRE) issues land planning simultaneously. According to the Law on Land 2013, the land plannings continuously are decentralized or superimposed upon the hierarchy of the public administration system each five years with a ten-year development orientation of PAs. It exacerbated the weakness of the government's control on development issues. In other words, it makes the regional development matrix extremely complicated. Moreover, McPherson (2012) argues that the short vision of land policy makes the public investments inefficient, more the negative externalities on the environment, and loses agriculture's dynamism. I am convinced that the main losers are the Vietnamese government, farmers, and rural residents (McPherson, 2012).

Table 12. The scalar and territorial dimensions of the regional development institution in Vietnam

Goals	Objectives	Objective Regions	Main responsibility	Coordination units	Policy framework
Regional Articulation	Extra-regional articulation	GMS ASIAN MR	The central government, Prime Minister, Minister of Foreign Affair,	Minister of Industry and Trade (MIT) Ministry of Transport (MT) PAs (Department of Foreign Affair)	Instruction 41/2010 (CVP)
	Intra-regional articulation	MRN CHs SWR	Vice Prime Ministers (members of Political Bureau)	Ministry of Police (MP) Ministry of Defend (MD) PAs	Decision 96/2012 (Political Bureau)
Planning	Regional Planning	PERN, PERM, PERS RRD, MRD MRN CHs SWR	CG(PM, VPMs) Ministry of Planning and Investment (MPI)	Ministry of Agriculture and Rural Development (MARD) Ministry of Transport (MT) ... PAs	The law on Land (2013) Decision 198/2014 the general five-year PERN planning (CG) Decision 1114/2013 the general five-year PERM planning (CG) Decision 252/2014 the general five-year PERS planning (CG) Decision 795/2013 the general economic-social five-year RRD planning (CG) Decision 245/2014 the general five-year MRD planning (CG)

Goals	Objectives	Objective Regions	Main responsibility	Coordination units	Policy framework
	Provincial Planning	Every Province	Provincial Authority (The Head of Provincial People's Committee)	DAs	63 general five-year provincial plans (PAs)
Allocation	Frequency Local Expenditure	Every province	CG, MF	PAs	The Investment Law 2014 (NA) The Public Investment Law 2014 (NA) The State's Budget Law 2015 (NA)
	Investment Projects (IPs)	Every province	NA (Large IPs), CG (Medium IPs) , PAs (Small IPs)	CG (MPI and MF), PA	
Redistribution	Provincial Disparity	The poor areas The rural areas	CG Ministry of Finance (MF)	MARD, PAs	Decision 1489/2012 the national goal program on sustainable poverty alleviation (CG) Decision 800/2010 the national goal program on building new countryside (CG)
Policy-building	Labor Training	The whole country	Ministry of Labor, Invalids	PAs	The Labour Code 2012 (NA) The Law on Social Insurance 2014 (NA)

Goals	Objectives	Objective Regions	Main responsibility	Coordination units	Policy framework
			and Social Affairs		Decision 1201/2012 the national goal program on employment (CG) Decision 122/2015 the minimum salary by regions (CG)
	Healthcare, Education System	The whole country	Ministry of Health Ministry of Education	PAs	The Health Insurance Law 2008 (NA) The Education Law 2005 (NA)
	Land and environment issues	The whole country	MONRE	PAs	The Environment Protect Law 2014 (NA) Decision 158/2008 the national goal programs on climate change

Source: Edited by the author

At a glance, I reckon that the primary responsibility belongs to Ministry of Investment and Planning (MIP) and these arrangements are reasonable to the function of MIP, but if it is considered with other functions of the policy framework, there is no consensus in sequencing synchronization among dimensions of regional development. In other words, after building development policy framework at local and at the provincial level, the authority of a decision, that whether investment projects (IPs) are implemented or not, is decentralized by the size of IPs followed Law on Investment and Law on Public Investment. For example, according to the Law on Public Investment, large IPs using investment capital of 10,000 billion VND or more is decided by National Assembly (NA), medium IPs from 2,300 to 10,000 billion VND are agreed by Prime Minister, small IP from 120 to 2,300 billion VND are decided by Ministers and the lowest under 120 billion VND are chosen by the local authority. Most of NA's decisions for the massive IPs are based on the regional policy framework of CGs and PAs. Therefore it makes a vicious circle in investment.

Due to decentralization processes from the central government in investment and the continuous efforts of local government in attracting foreign development investment and organization development assistant capitals, the results are in a status of domestic racing to build 260 industrial zones, and most of all provinces have ones (World Bank, 2016). These processes were started from insufficiency of the centrally provided fund to cover mandated local expenditure and locality have to seek out other revenue from sponsored economic activities (Painter, 2005). I am confident that it makes a new massive investment wave of FDI and ODA into localities

At a glance, it could reflex the attractiveness and potentials of the economy. However, when all of the provincial governments operate independently in attracting foreign investments, it is also becoming resistance to regional development called Vietnam having 63 "economies," it evenly influences much negatively on the sustainability and stability of the region. It also created the competitiveness among areas and eroded the cooperation among localities and the coordination linkage between neighboring regions.

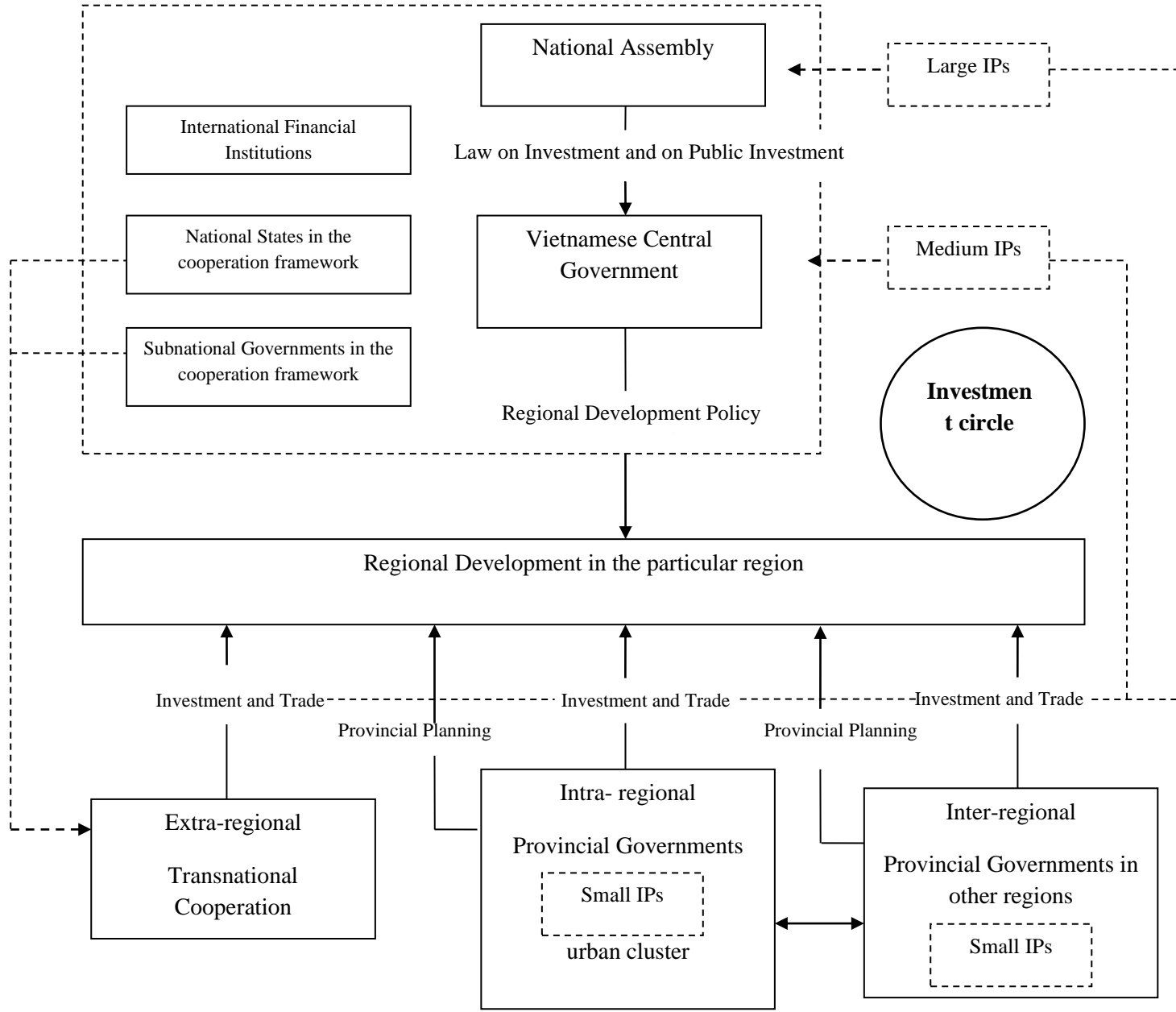
Because of the highly decentralized, fragmented, and sometimes incoherent set of state institutions (Painter, 2005), state spatial projects in Vietnam superimposed on the existing state institutions to create a matrix of regional development. It creates the effect of national goal programs of rural development, hunger erasement, and poverty reduction because it attracted many social components, state and non-state organizations. The evidence is that Vietnam is from an underdeveloped country to become an income-average country by 2020 and is to implement many break-through policies to eradicate hunger and alleviation of poverty highly assessed by international communities. Most of these state spatial projects are a redistribution resource mechanism to harmonize society and reduce the rural-urban and rich-poor disparity. Thank fragmented state institutions, these state projects succeed much more than expected. However, when the new substantial investment went away, the

insufficiency of local budget and increasing expenditure at local and central levels are returning and eroding the effectiveness of these national programs in localities.

As for policy-building, all other issues relating to education, healthcare, and environment are controlled by directly managed ministries. I am certain that almost all of the policies are implemented in vertical government mechanisms. Managed ministries, which are mainly responsible units, coordinate other ministries, and PAs to deploy the sector's directions in the country directly. In reality, directly managed ministries have only one vertical way to coordinate with the special department of PAs to implement the state projects. Therefore, the plans of directly managed ministries cannot meet the demand for inspection, investigation, and policy support in localities because each ministry has to control the 63 departments at localities. This issue erodes the effectiveness of management and the coordination between the CG and the PAs.

It has been long my belief that the policy-building system makes soft-infrastructure supports the government very weak. Recently, the state has called for institutional reform and has many efforts, such as local labor training policy, business support services, e-government, to support the community of enterprises in the whole country. However, basically, almost all of these efforts are not as effective as expected. The first reason is too many direct units for the ministry's control as above. The second goal is because of fragmented resources, and the limitation of local budget, these public administration reform projects of local governments have become ineffective gradually. Nevertheless, there are some signals to control and to support PAs and meet better results at the regional level, such as the minimum salary by regions, entrance university examination by areas. These signals initially bring some significant achievements, but it needs to research more.

To sum up, there are numerous provincial-level governments – 63 (58 provinces and five municipalities), and the state fragmentation creates the inertia and inefficiencies in formulating and implementing policy. Moreover, it also has created the constraints on central budget funding that provincial authorities have to be granted to raise funds and development investment projects. Vietnam is now one of the most fiscal decentralized countries in East Asia and subnational government account for more than half the total public expenditure and more than 70 percent of public investment (World Bank, 2016). However, too many state projects from many sectors put upon decentralized and fragmented local institutions have created a matrix of regional development.



Source: Edited by the author

Figure 13 . The existing system of regional development institution in Vietnam (Modification from (Su, 2014))

4.2.3 State rescaling for regional development in Vietnam

According to Keating (2013b)p30, 'rescaling is partly driven by functional change, notably in the economy, with economic change responding to new spatial logics at all levels, a phenomenon is known as the "new regionalism". Jayasuriya (2009) assumes that globalization is conceived as an internal process which transforms state space than external process that increased flow of trade and capital.

As the most striking features of the economic development of many East Asian countries, the "well-worn path of state-led developmentalism is being followed by Vietnam (Beeson and Pham, 2012). It is believed that the state plays a central role in accelerating and shaping the process of development in East Asian countries, and Vietnam is a not exception (Beeson, 2007, Beeson and Pham, 2012). Along with much international integration and economic cooperation, Vietnam has many efforts to adapt to a new situation in creative and surprising ways.

4.2.3.1 Territorial articulation of state spatial strategies

‘The key issue is not how the state should territorialize its own administrative and regulatory functions but rather how it should reconfigure the geographies of capital accumulation and socioeconomic activity within its territorial borders’(Brenner, 2004)p100.

The new approach of Jayasuriya (2015) shows that when pluralization of global economic rules is emerging, regional integration in Asia gives more opportunities to national-states in the regional regulatory framework. He proposes that new global arrangements in global governance, particularly the rising power of China, force nations to conceptualize the relationship between the form of statehood and regional regulatory framework. He also proposes that the national level of re-articulation about transnational and subnational forms of governance is very important to emerging regional regulatory frameworks. I recommended that this approach becomes an analysis tool for the nation-state to account for its strategy and implement new steps in the more complicated regionalization and globalization context.

Moreover, extra-, inter- and intra-regional relationships need to re-organize in a new regional development strategy. Although ADB and its stance on proactive policy cooperation and coordination rather than passive integration play a significant role in shaping strategic regionalism (Dent, 2008), new spaces in the state's transformation need to implement parallel and synchronically.

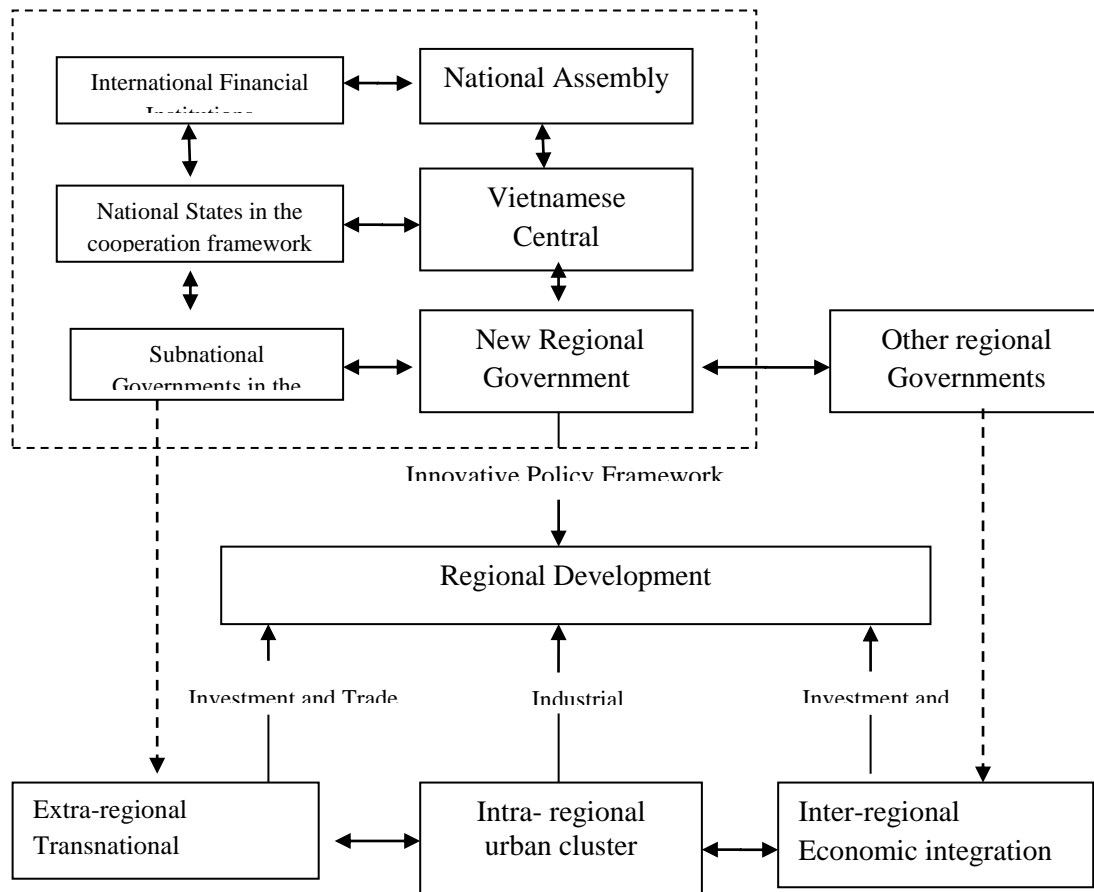
Jayasuriya (2015) finds that there is a new model of regional regulatory governance – regulatory regionalism. The new approach to local management in the Asia Pacific focuses on the inside state's transformation rather than on the establishment of the new regional institution. In the regionalization context, a new regional regulatory regime (Jayasuriya, 2009) changes inside existing patterns of private-public partnership or ‘in a nutshell state transformation’ (Jayasuriya, 2015). This regulatory transformation would be deepened by modifying the incentive, capital, and capacities of players with supranational regimes by state’s transformation.

'Regions have emerged as functional spaces, as political arenas, as a level of interest articulation, as the institution of administration and regulation, and as governments, charged with substantial responsibilities in public policy and spending' (Keating, 2013a), p137).

Functional or institutional rescaling re-establish the public policy agenda, as different issues are notable at each level. While each regional government has its competences, they need various frameworks. Keating (2013a) proposes five significant impacts of the policy framework, including development, distribution, allocation, ecology, and polity building.

According to Stoker (1998), the role of government is system management by providing leadership, forming partnerships, and regulating the overall environment by defining situations, identifying stakeholders, and managing relationships between parties. A new form of governance has changed the relationship between government levels involving the new kind of cooperation and coordination. It has also developed new institutions responsible for design, implementation, monitoring of strategies of development. Potentially, the original form of governance can also foster the mobilization of civil society and promote the formation of networks and partnerships that can provide a basis for economic and social progress (Pike, 2006).

I am convinced that a new regional government may be designed as the innovative policy framework below (Figure 14). According to Su (2014), the network connection and multi-scalar regionalism have created regional development. I am convinced that an excellent regional mechanism has promoted the effectiveness and efficiency of developing regional economy. In Figure 14, the new regional government has a central position in foreign economic partnerships and internal institution cooperation. Thus, it is my firm belief that the expected system of regional development institutions would help promote regional productivity through investment and trade circles and industrial process ones.



Source: Modification from (Su, 2014)

Figure 14. The expected system of regional development institution in Vietnam (Modification from (Su, 2014))

4.2.3.2 Some SWOT analyses for the new regionalism in Vietnam

The establishment of new regulatory regionalism in Vietnam has many different nuances; thus, the author attempts to analyze some strengths, weaknesses, opportunities, threats (SWOT) to identify related issues.

The expected system of regional development institution has some opportunities, strengths, threats, and weaknesses as below. Firstly, a new official regionalism as a public authority at the regional level would create some good opportunities to re-articulate multi-scalar regionalization and grow the regional economy (Scott, 2009b). Moreover, I believe that there are some strengths established in regional capacities such as the proactiveness in international integration issues, the positiveness in innovative regional policies, and reduction in the number of directly managed units at the local level. However, some negative features in a new expected system of regional development have been identified as follows. Some threats from political

factors were to increase the political risks and local autonomy (Scott, 2009b). Besides some others was to erode the unity of the territorial border, the weakness of the state budget system for local authorities should be taken into account.

Table 13. The SWOT analysis for new level regionalism in Vietnam

	Extended regulatory regionalism	Internal development institution
Positive dimensions	<p>Opportunities</p> <p>Re-articulation in multi-scalar regionalization</p> <p>Economic growth (Scott, 2009b)</p>	<p>Strengths</p> <p>The local authorities are more proactive in international economic integration issues and regional innovative policies</p> <p>The CG may reduce the number of directly managed units at local level.</p>
Negative dimensions	<p>Threats</p> <p>Depend on political factors, increasing the political risks and local autonomy (Scott, 2009b)</p> <p>Eroding the unity of territorial border</p>	<p>Weakness</p> <p>State budget system</p>

Source: Edited by the author

Opportunities

The center of the rescaling state in this paper is that a new alternative regional government level. The primary goal of this state rescaling is that territorial re-articulation in the Fordism and regulatory regionalism context in Asia-Pacific.

Firstly, I feel strongly that it creates opportunities for NA to adapt the domestic development institution into regulatory regionalism from ADB, AIIB, and other financial institutions.

According to the World Bank (2016), institutional capacity and reform are said to be the weakest problem in Vietnam, and it is the center of the reform process in the next 20 years. According to the global governance index, Vietnam is one of the three weakest nations in the Southeast Asian region on global governance indicators. The reason for slow Vietnam's reforms in institutional capacity is that Vietnam owns the socialist state system. The socialist-oriented market economy of Vietnam was initially efficient undoubtedly after the 90s of the last century; however, due to lack of long-term vision and the contradictions in the economic development of capitalism and socialism; therefore, Vietnam is still facing significant challenges in the next steps. Vietnam is currently under pressure from the regulatory regionalism from ASIAN (ADB now), from GMS (ADB previously), the high influence of globalization rules from ASIAN + 3,

ASIAN + 6 ..., TPP. The CG remains the primary task of negotiations; however, in order to better adapt to the new institutions in the region and internationalization, NA needs the domestic institutional change to catch the modern globalization and regionalization regime more proactively.

Secondly, due to geographical characteristics with its long coastline, it seems that Vietnam needs to promote the advantages of geographic location in the region that includes regional government may coordinate with the best CG to adapt most proactively and to organize partnerships efficiently with neighboring areas: such as PERMG may promote the maritime network development with the countries of Australia, Northeast Asia such as Japan, Korea, and PERSG and PERNG may coordination with CG to proactively adapt GMS considered a more efficient way to become a strategic region in commerce in Asia-Pacific. In other words, the PERNG may focus on coordinating to the Yunan region from China, the northeast region, and the far-east region from Lao as a group, and the PERSG may concentrate on organizing to two eastern areas to promote infrastructure development and regional connectivity in GMS and MR.

According to Scott (2009a), it has been argued that region-building is essential to establish large and cohesive spaces to support a critical mass regarding markets, technology, and self-fertilization growth.

Strengths

I am convinced that the regional authorities are more proactive in international economic integration issues thank to working directly with other sub-national governments in cooperation. It reduces a significant amount of documents issued from the central government to local states involved in the related issues, even minimizing inefficiencies in the process of regional cooperation with partners in the region. The provincial government may have a higher voice in exploiting the partnership agreement from stakeholders, reducing the state's bureaucracy in regional development policy. Since then, the central government will also make decisions more sound and transparent to support planning and local development.

Besides, there could be a case for saying that the regional government would be the new government's joint that has the main responsibility to reduce the overload of management for the central government. The sixty-three clues from the local government for control for the central government's administration is an impossible task for ministries. The national projects superimposed state's space would become more efficient because of the following reasons. Firstly, the primary responsibility of regional development would belong to the local government that would have no overlapping in land planning, increases the efficiency in labor policies by regional labor characteristics, in the necessary programs of state support for poverty reduction, meanwhile, the application of building new rural countryside is not affected. However, it seems to need to increase the authority of NA in land planning with the long-term vision and to reduce the influence of local government in land-related issues, thus ensuring more stability for the economic sectors in development. Besides, it seems to tighten the regulations in investment management, to empower more the authorities of regional government in the

investment management areas with specific conditions to ensure undoubtedly which city are the sustainable development areas, where are areas of technology innovation. The policies of technological change need to be applied more strictly in these areas, and the time circle of the investment projects should decrease and thoroughly calculated.

Besides, it has long been my belief that the regional government has to coordinate with NA and CG in order to adapt the extra-regulatory regionalism to intra-regional domestic institutions as innovative regional policies that take economic globalization into account instead of regional policy framework with only planning function as the present. The new local government level not only supports foreign enterprises in the investment approach but also improve the provincial authorities' knowledge in international economic integration issues. For some regional locomotives as PERN and PERS need to reduce the investment circles to guarantee technological innovation, some poor regions such as CHs or MRN need to focus on redistribution programs. Besides, because of the heterogeneity of the regional population, the local labor policy may implement more efficiently.

Threats

It is my belief that the political risks in the deployment of problems at the regional level are an issue that needs to be mentioned. At the national level, the political will would not be ready if legislative reforms at the regional level to increase. It may increase the local autonomy, corrode the national unity, and change the federal political structure. This barrier is a significant risk that may nullify the will to reform. However, with a particular political system of VN presently, these risks can fully overcome rationally. First, if considered under the current political point of view, the Secretaries of CPV of Hanoi and Ho Chi Minh City are the chairman of PERN and PERS and belongs to the Political Bureau of CPV. Therefore political authority and the safety of the central government and the state are guaranteed. Second, these cadres experienced the management experience at the ministerial level; even many officials had also been the minister of foreign affairs. Therefore, these staff's capacity in the work of diplomacy can ensure regionalization and regional articulation missions relating to international integration. Thirdly, the Party's secretaries of the provincial committee of the regions are still the member of CPV Committee. Therefore the political order is even guaranteed as before.

Weakness

It is often said that the biggest weakness in the system is the issue of the budget's system at present. This limitedness is the main problem in implementing development policies at the regional level. It may be said that the current budget mechanism for localities is an only temporary solution, local authorities will find answers to increase revenues (such as increasing the tax incentives for businesses to attract investment, reducing the environmental criteria to business incentives) this will reduce the effectiveness of regional sustainable development, enhance unhealthy competition among localities. With a focal reducing management's joints from the local to the regional level, the central government would have more radical solutions in the plan of the provincial budget's allocation. New revenue sources would be required from the

faster circle of investment projects in the region that may have some advantages following. First, regarding technology, it would increase the efficiency of the policy of regional technology innovation and improve the local labor's quality. Second, it would ensure the sustainability of the region's land policy and the sustainability of regional planning, reducing the new or changed land planning by the local governments through the appointed term (5 years) as the short vision of land policy (McPherson, 2012).

4.2.3.2 Suggestions

According to Jayasuriya (2009), private or non-state sectors keep the leading role in the development process of the region, and the cooperation among multi-level government and international organizations creates a new intersection between private and public bodies. For example, (Su (2012b), 2014) assesses that the rescaling Chinese state for the Yunan region in cross-border cooperation and regionalization, marking a significant turning point in its regional economic growth. This suggestion harmonized sustainable capital accumulation and maintain the legitimacy of the socialist regime that all states of modern societies keep their function (Beresford, 2008). It also is entirely compatible with outside regulations of regionalization and internal state institution.

According to Painter (2005), neo-liberal reforms in Vietnam were changed in order to consolidate the authority of the Vietnamese state and build a new form of state-business alliances. If this model can be applied, this new mechanism makes not only market-supporting institutions in the Mekong Region and Southeast Asia in following neo-liberalism and international economic integration but also is suitable for the 'market socialist' trajectory of development within the statist framework. Regional vulnerabilities will be eliminated with current choices from local authority decisions instead of negatively external influences as passive victims in the 'outside-in' perspective.

In the short term, the Vietnam government can implement the pilot project for the pivotal economic region, such as PERS or PERN, to appoint the leader who has firm political prestige to avoid conflicts of interest in regional politics. Besides, the government should consider fiscal mechanisms towards the regional framework to guarantee delivery mechanisms and reduce regional disparities. In the long term, the Vietnamese National Assembly should have more significant progress in constitutional reform such as the authority of regional planning and local public administration by regions; however, these issues need further study.

To sum up, the regionalism at the subnational level can create a new orientation for regional development in Vietnam.

4.3 The analysis of interaction between state logic and territorial logic in Vietnam

There are two models in which the results are found. The first assumes that there are some high correlations between groups of independent variables to detect actual policy matters and government issues in reality. The second model founds the patters of provincial competitive indexes by regions.

4.3.1 The state system in prism of the development indicators

There are high correlations between nine original variables and four principal components from the rotated component matrix below. There are not too significant correlations for the four primary components. In other words, the nine original variables divide into four variable groups, two groups include three variables, one next group contains two variables, and the last team consists of one variable.

It means that there are four principal components of the survey's result that can be named as land policy issues, soft-infrastructural support issues, public institutional matters, and entry cost matter. From the central government's point of view, a high correlation in variable groups means that there are actual system matters behind each team in the scope of the country. The central government should consider these four principal issues as the fundamental issues in issuing policies at the central level.

Table 14. The rotated component matrix

	Components			
	Land issues	Regional infrastructural support	Inspection issues	Entry and basic unit issues
Informalcharge	0.858	-0.102	0.005	0.017
Landaccess	0.818	-0.125	0.094	0.096
Proactivity	0.681	0.481	0.220	0.003
Transparency	0.141	0.769	0.138	0.309
Busisupport	-0.105	0.673	-0.126	-0.474
Labourtraining	-0.279	0.645	0.333	0.065
LegalInstitution	0.022	0.112	0.831	-0.077
Timecost	0.183	0.098	0.809	0.159
Entrycost	0.046	0.110	0.019	0.900

Source: Edited by the author

The first principal component includes: the land access and security of tenure ($r = 0.818$), the informal charges ($r = 0.858$) and the proactivity of provincial leadership ($r = 0.681$). This component is concerned with the land policy issue. Land management is a crucial component in a development process, especially in developing countries like Vietnam. It is easily seen that the land policy and land management are emerging as very complicated issues in many years. It is continuously amended in 1993, in 1998, in 2003 and 2013 by the National Assembly. However,

from the result above, there is a high correlation between land security, informal charges, and the local leaders' proactiveness. It means that there is a vague leakage at central level that creates the linkage between land policy ($r = 0.818$) and informal charges ($r = 0.858$). Besides, the relationship of proactivity ($r = 0.681$) and two these issues is weaker, but it needs to consider at central level why all of the proactivity of local leaders is the high correlation to land issues. At present, the land planning in detail empowered to provincial governments should be considered more wisely.

The second principal component consists of three original variables: transparency and access to information ($r = 0.769$), business support services ($r = 0.673$), labor and training ($r = 0.645$). This component can be understood as soft-infrastructural supports for the enterprises. The development environment for enterprises is vital for the developing country. In recent years, laws regulating enterprises and investment activities are continuously amended, such as Law on Enterprises 2005, 2009, 2014; Law on Investment 2005, 2014. In fact, these laws expanded and supported many favorable conditions for enterprises, but the government's management mechanism for these issues is still hard or not flexible as development barriers. For example, according to Law on Investment 2014, the investment projects' decision decentralizations are divided into three levels from the National Assembly to the provincial government.

The third principal component includes two the original variables: time costs and regulatory compliance ($r = 0.831$), legal institutions ($r = 0.809$). This component can be understood as a public institutional matter. The result means that there is a tight linkage between the justice institution and public administration procedures of and the time cost of the enterprises. It is interesting because there is a high correlation between procedures and inspection of the public sector and enterprises' protection from the justice sector. Normally, the enterprises only seek the public sector when they need dispute resolutions on some issues such as contract or property rights. Therefore, this is the main character of the public sector in Vietnam.

The last principal component only contains original variable: entry costs ($r = 0.909$). There is a huge difference between entry cost variable compared with other variable groups. It can be explained by new business registration incentives from the central government and a one-stop shop mechanism that effectively implements the country's whole.

4.3.2 Identifying state space system in the prism of regionalism

After four principal components are recognized above, they are again identified by regionalism. It means that four primary parts were named as land policy issues, soft-infrastructural support issues, public institutional matters, and entry cost matter are considered in the prism of regionalism. From the regionalism point of view, there are apparent differences in recognizing four principal components in every region. The central government should take them as the critical issues of the regions into account to issue the regional development policies.

From the table below, there are high identifications in land policy issues in all three regions. The sharp differences in land policy issue's principal component show that regionalism

of land policy can take into account in three regions. In fact, a land policy has been stipulated by many different official documents such as Constitutions and Laws on land. From the result below, it is suggested a new mechanism for land management at the regional level. In other words, the land policy may be managed by only one federal official document that divides efficiently land regulatory regionalism mechanism. Indeed, the more sharp difference in identifying land policy issues ($i_3 = 119/190$ with others $i_2 = 90/190$ and $i_1 = 118/248$) in the Cochinchina region or region is coded by 3) is the best cornerstone for trial management of land policy at the regional level at the first phase. According to this result, the plan should be applied to the Cochinchina region (region 3), the Annam region (region 2), and the Tonkin region (region 1), respectively. The percentage of the observation in which region they come from is the highest with 52.1%. This evidence proved that the land policy by regionalism is the most feasible.

The regionalism for the second principal component is identified by the Tonkin region ($i_1 = 127/248$) and the Cochinchina region ($i_3 = 93/190$). The emerging difference in the Tonkin region and Cochinchina region is identified as the development of the educational system, industrial-supporting system, and the capacity in accessing information because these areas are two locomotive economic regions with the present of Hanoi and Ho Chi Minh city. The results show that regulatory regionalism for soft-infrastructure support should take into account both in the Tonkin region and in the Cochinchina region. Besides, the policy can be applied in the Tonkin region at first at the experimental phase and then implemented in the other areas later. The results also show that the labor policy, educational system, and supporting-industrial system in the Annam region have not been guaranteed.

The third principal component is public institutional matter. It is similar to the second; it shows the sharp results in the Tonkin region ($i_1 = 129/248$) and the Cochinchina region ($i_3 = 119/190$). This remarkable point is why the public institutional matter cannot be identified by the Annam region when it is still a principal component in the country. Are there any differences in dispute resolutions in the public sector or regular inspection for enterprises by region? In the limit of the research capacity, there has been no suitable reason to this question yet.

One of the other remarkable point appears on the last principal component. Only the entry cost is identified by the Annam region, but it is thought that this result is insignificant in regulatory regionalism. In other words, when the entry cost is straightforward to recognize in the whole country with another principal component ($r = 0.909$), it cannot be understood by regionalism. All of the observations are identified by the Annam region. Therefore, it is whether the entry cost principal component is a representation for the character of the public sector in the whole country? It is my belief that this question needs further research.

Table 15. The identification of state spatiality system each by each principal components

	Correctly classified	Predicted Group Membership				
		Regional Codes	1	2	3	Total
Land policy issues	52.1%	1	118	70	60	248
		2	58	90	42	190
		3	30	41	119	190
Soft-infrastructural support	41.1%	1	127	41	80	248
		2	70	38	82	190
		3	65	32	93	190
Public institutional matter	46.5%	1	129	51	68	248
		2	78	44	68	190
		3	48	23	119	190
Entry cost	35.4%	1	101	129	18	248
		2	74	109	7	190
		3	72	106	12	190

Source: Edited by the author

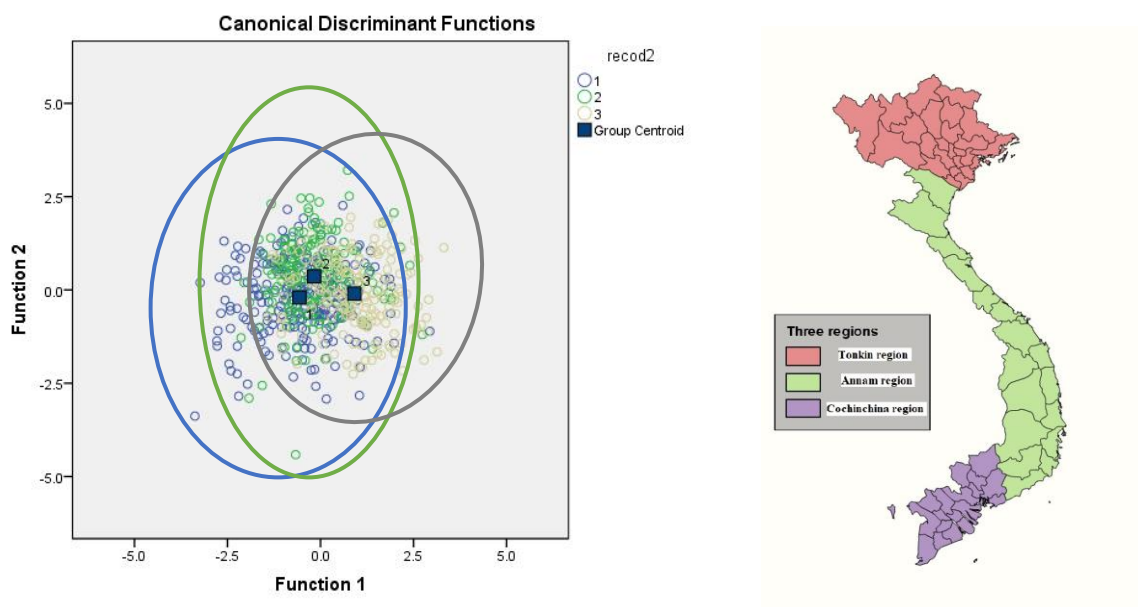
4.3.3 The identification of three 'natural' regions

The new regionalism here is a result of the region based on 'spatial relationships of administrative and legalistic framework' rather than geographical territories (Scott 2009). However, the results argue for the opposite effect. In other words, administrative and legalistic regulation can be recognized by the regional geography.

The first discriminant function accounts for 86.6% of the between-group variance, and the second discriminant function explains for 13.4% of the between-group difference. The Wilks's Lambda table shows the significance test of the discriminant function. For the combination of both discriminant function, 1 through 2 Chi-square = 239.542 significant at $p < 0.001$. After the first function is removed, the test of function two reflexes that Chi-square = 36.209 is statistically significant at $p < 0.001$.

The model correctly classified 138 observations out of 248 in Tonkin region, 97 identifications out of 190 ones recognized as the Annam region, 130 observations out of 190 ones identified as the Cochinchina region. All of the regulatory regionalism is highly appreciated by geography with the following results: the Tonkin region: 55.6%, the Annam region: 51.1%, and the Cochinchina region: 68.4%.

To sum up, 58.1% of observations are predicted is a good result for the geographical signal of public administration by regions. The interest of the results from this method is the public administration documents in Vietnam are connected significantly to regional geography (58.1%).



Source: Calculated from the PCI data set, 2017

Figure 15. The combine-group classification of three regions

Table 15. The classification result for three regions

Regional codes		Predicted Group Membership			Total
		Tonkin region	Annam region	Cochinchina region	
Count	Tonkin region	138	63	47	248
	Annam region	57	97	36	190
	Cochinchina region	20	40	130	190
Percentage	Tonkin region	55.6	25.4	19.0	100.0
	Annam region	30.0	51.1	18.9	100.0

	Cochinchina region	10.5	21.1	68.4	100.0
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Source: Edited by the author

4.3.4 The identification of six ‘natural’ regions

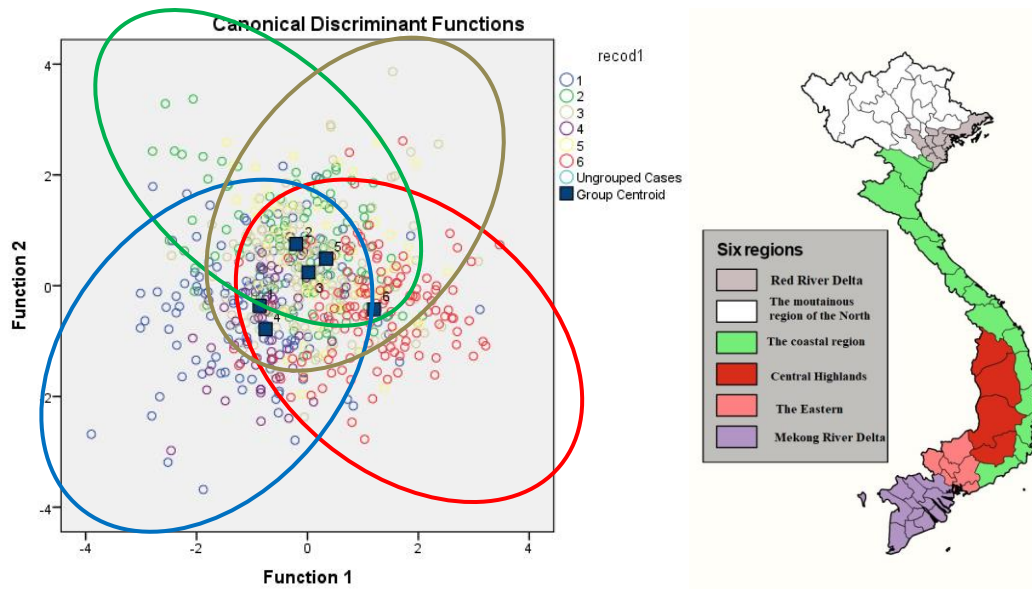
The PCI dataset is discriminated into six natural regions by geography. As a result, the PCI data and parameters from ten original variables strongly account for the significance of regional discriminants.

The first discriminant function, including five indicators: regulatory compliance, easy access to land and security of business premises, the overall PCI, minimal informal charges, fair and effective legal procedures for dispute resolution, accounts for 58.2% of the between-group variance. The second discriminant function consisting of sound labor training policies explains for 27.6% of the between-group variance. The Wilks’s Lambda table shows the significance test of successive discriminant function. For the combination of both discriminant function, 1 through 2 Chi-square = 480.079 significant at $p < 0.001$. After the first function is removed, the test of function two reflexes that Chi-square = 216.808 is statistically significant at $p < 0.001$. Correlation (loadings) between predictors loading on the first discriminate function can be seen that the variables that discriminate levels by regions most strongly are: time costs and regulatory compliance ($r = 0.689$), land access and security of tenure ($r = 0.623$), provincial competitive indexes ($r = 0.582$) and informal charges ($r = 0.558$). The loadings between the predictors on the second discriminate function by region the strongest are labor and training ($r = 0.714$).

The model correctly classified 62 observations out of 138 ones as the mountainous region of the north (MRN), Red-river delta region (RRD), 46 observations out of 109 ones as the Red-river Delta, 48 observations out of 140 ones as the coastal region (PERM), 26 identifications out of 50 ones as the Central Highlands region (CHs) and 78 observations out of 130 ones as the Mekong river delta region (MRD). The discriminant set showed the following results: the northern area of the north: 44.9%, the Red-river delta: 42.2%, the coastal region: 34.3%, the Central Highlands: 52.0%, and the Mekong river delta region: 60.0%. There is only the Eastern region can be classified correctly, with the meager rate just 26.7%. It is a little bit confusing between the Eastern region and the Red River delta region, and Mekong-River Delta can be a good signal because these three regions are quite similar regarding geography. To sum up, 40.0% of observations are predicted is a good result for the geographical message of public administration by regions. The interest of the results from this method is the public administration documents in Vietnam are connected significantly to regional geography (44.0%).

This study contributes much significance in local government reorganization from an inner perspective. It opens a new way to study state rescaling and institution adaptation in the multi-scalar governance mechanism in Vietnam. It has been seen as the main result of the scientific paradigm, in other words, as empirical evidence in regional planning and regional division in the globalization context for Vietnam. For some regions having predicted membership groups highly

as RRD, MRD, and CHs, a new mechanism should be established as fast as possible with the economic development authority as much as possible. For the Eastern region, it should be studied more before applying new government mode. In fact, this area has many privileges in the mechanism to develop its regional economy rather than others. However, the result of this study advises that policymakers and political leaders in Vietnam should be taken its potentials into account to ensure the effectiveness of the whole region.



Source: Calculated from the PCI data set, 2017

Figure 16 . The combine-group classification of six regions

Table 16. The classification results for six regions

Regional codes		Predicted Group Membership						Total
		MRN	RRD	CR	CHs	TE	MRD	
Original count	The mountainous region of the North (MRN)	62	21	13	25	9	8	138
	The Red river Delta (RRD)	5	46	16	15	16	11	109
	The coastal region	18	20	48	15	20	19	140
	The Central Highlands (CHs)	13	1	7	26	3	0	50
	The Eastern (TE)	2	15	8	5	16	14	60
	The Mekong River Delta (MRD)	6	1	19	9	17	78	130
	Ungroup cases	1	0	0	0	0	0	1
Percentage	The mountainous region of the North (MRN)	44.9	15.2	9.4	18.1	16.5	5.8	100.0
	The Red river Delta (RRD)	4.6	42.2	14.7	13.8	14.7	10.1	100.0
	The coastal region	12.9	14.3	34.3	10.7	14.3	13.6	100.0
	The Central Highlands (CHs)	26.0	2.0	14.0	52.0	6.0	.0	100.0
	The Eastern (TE)	3.3	25.0	13.3	8.3	26.7	23.3	100.0
	The Mekong River Delta (MRD)	4.6	.8	14.6	6.9	13.1	60.0	100.0

Source: Edited by the author

4.3.5 Some discussions on the statistical results

Inspired by state logic, as mentioned by Lefebvre (2009), it is my firm belief that the Vietnamese state interpreted its logic on its territory. As the initial conditions, it does not matter whether this space is more or less inclined to the socialist or capitalist space. However, the results in the above section show that there is a similarity in the system interpretation of state space at the regional level. At first, the state system was identified in the principal analysis (58.1%). Then, local state space systems can then be automatically identified based on statistical

results (52.1% for land policy issues, 46.5% for public institutional matter, and 41.1% for soft-infrastructure support).

At last, based on the results of identifying regionalism, it is proposed that the government planning system at the regional level or regional public administration can be taken into account by the characteristics of state systems that are readily identified by geographic regions. Both of identifications of 'natural' regions also have positive results ($44\% > 100/6 = 16.667\%$) and ($58.1\% > 100/3 = 33.33\%$). It is difficult to say which one is better, but obviously, the perceptions on regulatory regionalism at the sub-national level or rescaling state at the regional level should take into account.

The main difference between these two dual-track analyses is that when regionalism for each principal component assessed the feasibility of regionalism of each policy such as land policy, labor policy, and public sector's reform, regionalism for the whole assessed the ability to create a new federal administration system at the regional level.

Coming back three affinities of the post-socialist mechanism in Vietnam, the transformation of the system from socialist to capitalist in Vietnam and China has received the attention of many scholars (Le, 2009, Li and Wang, 2009, Vo, 2009) and so on. Many of the contradictions in this state system restructure process as evidence are very easy to recognize, and they are called as a transitional phase. Connecting to the theory of (Kornai, 2008), three characteristics of the Vietnamese system have been somewhat expressed in the result. First of all, the land policy has been combined with 'ownership' structure, particularly the land ownership. Last but not least, when the process of settling disputes of enterprises (public institutional matter) has connected to the 'coordinating social, economic activities' characteristic (transition from socialist to capitalist), the soft-infrastructure support can only be shown as an underdeveloped supporting-market system. The result has also indicated that the characters of system recognized (land policy issues: 52.1%, public institutional matter: 46.5%) are better than the development level of infrastructure (soft-infrastructure support: 41.1%). It means that the link between the characters of the system (Kornai, 2008) and public administration indicators at the provincial level (PCI) is evident in Vietnam. There should be some further research into the trend or speed of this transitional phase, how much the connection between its system characteristics and development indicators is or how efficient the system supports enterprises by region, even further research into its institutional foundation but within the limitations of this study, it only would be focused on the state transformation at the regional level.

As for methodology, the author has considered the discriminant analysis for intra-regulatory regionalism as a new way to analyze in public administration. The interest of the results from this method is the general administration documents in Vietnam are connected to geography (58.1%).

In this study, there are some inevitable limitations. Firstly, the original observation is divided subjectively. Therefore, it should be studied intensely with concrete criteria. Secondly, there is some confusion in which region some provinces belong to. Thirdly, the PCI consisted of the discriminant analysis may increase the discriminant result positively.

4.4 The analysis of some lessons from European Union

“The major challenges faced by EU Cohesion Policy relate to implementing development policy in an environment of greatly varying institutional capacity and greatly varying levels of economic development” (McCann, 2015)p81. The geographic features of Vietnam are very different. Applying Cohesion policy can be a useful reference for Vietnam in the new context. Especially, Vietnam is at the turning point of a changing world, so the recognition of changes in the world economy and the lessons of governance of the nation in this process increasingly becomes more important. In the country, the pressure of building state capacity ensures that the economy is more and more efficient, such as improving the market economy, reforming the political system in line with economic reform. It is my belief that the territorial governance reform can be viewed as a new perspective on the current institutional reform pressures in Vietnam. After reviewing the literature body of the situation of rescaling the state of European countries, there are some general lessons and specific ones that have been identified below.

4.4.1 The general lessons for Vietnam

4.4.1.1 Three perspectives on state logic

I am convinced that there are three perspectives on state logic that are significant in the thesis. Since the establishment of the Democratic Republic of Vietnam under the leadership of the Communist Party, all regional policies have been implemented with a top-down plan. On economic perception, too many government figures overlap, such as urban-rural areas, industrial zones, socioeconomic regions, and military-political regions. This overlap is imposed by the centralized role of ministries and the leadership of the Party. The local government system learns instrumental learning to reduce the pressure from above. The criteria for attracting investment capital and low-cost territory to report the achievements of local leaders (due to short-term tenure) quickly fragmented the country's territorial structure. The jackfruit-shape model has created many implications for the increased environmental risk, the super-micro economic model, and the lack of industry support infrastructure. In addition, the risk of land ownership and uncertainty in regional planning also added more pressure for enterprises in the short-term circle.

Regarding political perception, national territories gathered from various ethnic groups, and the heterogeneity of religious freedom partly causes many political instabilities in some localities. After identifying the pressure from local autonomies, the stronger political government mechanisms have been created, thus increasing the number of local governments over time and reducing the size of local administrative areas.

Regarding territorial awareness, the state logic is overwhelmed by political assurances; therefore, the role of the natural territory is somewhat vague. Besides, because of the socialist orientation, the tendency to ensure more or less uniformity for people from different

government levels and the political system becomes a banner. The territorial development based on the natural structure is less concerned with the pressure from socialist idealism.

4.4.1.2 The six determinants for state rescaling for Vietnam

I believe that there are six important determinants for rescaling the state for Vietnam, which is aware of the thesis as follows.

Firstly, territorial structure and natural territories should be taken into account. From the lessons of Scandinavian countries, the firm national structure can assure the macroeconomy, reduce unemployment, manage the restructuring, and be more in harmony with the environment. Although the stability of the territorial structure can harden the national governance structure, posing a challenge in state reform, this is critical in rescaling state.

Political supports from top-down and from bottom-up are the second most crucial factor. The establishment of cooperation agencies to download and upload the concept of downward policies and bottom-up reform practices will ensure smooth and efficient change processes. It is drawn from the lessons of the Nordic-region agency.

Thirdly, organizational learning, and instrumental learning are lessons learned in applying EU policies in the corporate group. The instrumental learning will be inevitable when national institutional capacity is not available on structural reform. Therefore, organizational learning can only be achieved when top-down policies have an appropriate roadmap that ensures corporate performance.

Fourthly, agglomeration, and specialization are essential factors in assessing the development capacity of the territorial structure. In the context of developing countries, agglomeration and specialization are not yet fully and precisely defined. Notably, the local jackfruit-shape development model in Vietnam has brought more and more challenges. It is an essential and urgent need for early and well-informed policymakers. It will ensure the development synergy of the territorial governance structure and related policies.

Fifthly, ownership and bureaucracies are perceived by Konai's theory should be studied further. Lessons from Eastern and Central European countries need to be also researched to ensure that the short-term circle is operating smoothly, the ownership change minimizes that business risk. The bureaucracy and market relationships are intertwined and are shifting and interplaying each other need to study more.

Lastly, decentralization transformation should also be reconsidered when arbitrariness or ease in the decentralization changes overshadow the structural reform of the natural territories, thus losing the pressure of rescaling state.

There are some limitations to the thesis. Firstly, there is no powerful access to urban and rural areas. The point of view on urban and rural perspectives may open up new research, such as urbanization. Secondly, the system transformations need to be perceived in more

multidimensions, such as primary characteristics, one of the key features mentioned by Kornai (2008), how they change, how they happen, and what they bring Kornai (2016)p563.

4.4.2 The specific lessons for Vietnam

In the new context, all countries have transformed their strategies, objectives, and structures to ensure that they are consistent with the unique global economic situation. This section attempts to clarify some lessons for Vietnam (Hungary, Sweden, Portugal, United Kingdom) to clarify the directions and strategies in the new context to make references to the development of Vietnam.

In order to make a more detailed, precise, and accurate description of the regional change in the context of globalization and geochemistry, the authors selected four countries in the five groups as a research example. The author chooses some countries with similarities regarding state history, state systems, governance philosophies, cultural characteristics, geography, war, and people for further clarification as reference lessons for Vietnam. The author focuses on countries with small economies in Europe, with similar geographic features such as Hungary, Sweden, Portugal, and the United Kingdom.

4.4.2.1 Some lessons of state rescaling from Hungary

It is difficult to find a one-fit-for-all solution in the national development policy and strategy but each development trajectory can be learned as living proof to limit the risks and losses in the national development processes. In recent years, Vietnam has made a lot of efforts in reshuffling the state in the public sector reform in general and the regional development in particular. Many of them can be recorded by outstanding achievements such as rural development policy in the 1990s, hunger eradication and poverty elimination policy in the 2000s, and economic restructuring in 2010. However, Vietnam is also facing an unstable environment in the region with the emergence of China, hot sovereignty debate on the South China Sea after President Xi took over in 2011. The restructure of state and its policies are very necessary and urgent in the context of globalization and regionalization at present.

Historically, Vietnam and Hungary had similar characters, they overcame many civil wars and got independence together. They also experienced a socialist regime based on Marx's theory. Fundamentally, they have had to overcome the revolutionary transition toward the classical system that superseded capitalism in the future (Konai, 1992). As many post-socialist countries, Vietnam can learn a lot from the state management experiences from Hungary as follow.

Firstly, in the context of the rapid regulatory regionalism of Asia - Pacific, especially Southeast Asia, Vietnam should have prepared to build the capacity of state management strong enough to be adapted to the new demands of globalization and the regulatory regionalism. More specifically, Viet Nam needs to build sooner a governance capacity in a systematic way to avoid international pressure from the regulatory regionalism and to ensure

building actual governance capacity of each intra-region. Based on the complicated context of the current multi-scale regionalism in Asia Pacific region, Vietnam needs to continue further studies on the territorial articulation of the Asia - Pacific region to take a right and proper step in the strategic development, what happened in the same way in Hungary when they gradually adapted to the European Union.

Secondly, Vietnam needs to have a robust regional development policy like the National Spatial Development Concept (NSDC) of Hungary based on the NUTS2 of the EU. However, this policy should be issued from the National Assembly to ensure the Vietnamese government is enacting the sustainable development of the whole country, not just based on planning documents of key economic regions at present. It is entirely feasible because it is not only for Hungary but for all countries within the European Union applied for these elaborated procedures and criteria that Vietnam will easily follow. Under current public administration norms and all of the detailed planning of the provinces based on the new NSDC, the Vietnamese government needs to be clearly defined. The planning authority that may be distorted and may be more complicated in the territorial planning documents has to be re-adjusted in order to avoid the present economic situation of 63 provinces.

Thirdly, Vietnam does not have the Structure Fund or Cohesion Fund from the European Union as Hungary, Vietnam needs to use more effectively loans from ODA, FDI .. to ensure growth and sustainable development, thus Vietnam needs to restructure the budget system based on NUTS2 to reduce the shortage of funds from local authorities, from widespread investments calls without criteria from the provincial governments at present. The elaboration of investment regulations should be tighter than before, especially in Hanoi-city and Ho Chi Minh-city regions, which shows the rapid innovative technology transformation at present.

Lastly, the most important lesson about the regional development policy in Hungary is that regional and local governance system reform and the public administration reform should be synchronized, even they must merge together to ensure effectively the regional development and local management capacity that the Hungarian state has not done yet.

4.4.2.2 Some lessons of state rescaling from Swenden

Vietnam is a developing country with many reforms in economic development. The Swedish governance models can provide sound recommendations for policymakers in Vietnam.

First, structural transform for job security is one of the more important economic lessons for Vietnam and many countries in the world. As other European countries have become more liberal in the economy, Sweden has maintained even a keynote in Keynesian policy in the market by investing in high-tech infrastructure and a high-quality workforce. With the priority of creating jobs for the people, market gaps are minimized by supporting people to shift jobs to sectors with high labor demand in line with the region's needs (Koch

2016). The imposition of the Keynesian economic development mechanism has many benefits in ensuring social equality, reducing income disparities between sectors and regions, but this also creates a robust mechanism that creates difficulties in the institutional reform.

Secondly, the supply-side policy is an option that can be calculated for Vietnam in the context of limited budgetary resources. Of course, this is only the second option after changing the labor demand structure for the economy. It will ensure the active participation of people in the effective development of the labor market and workers' skills. However, in the considerable transformation of the global economy, this trend is unlikely to become the first choice to ensure sustainable economic development.

4.4.2.3 Some lessons of state rescaling from Portugal

Portugal belongs to the group of Southern European states that have the traditional Napoleonic state system (Painter and Peters, 2010). Most Southern European countries have a small administrative system with no difficulty in structural reform, but due to the convenience of decentralization and decentralization, they tend not to change state structure (Pham, 2018). Like France and other Southern European countries, Portugal managed to shift the decentralization mechanism rather than the state rescaling. In other words, the regional public administration operated just like a non-power entity in Portugal. The local economic administration still acted as a mechanism for receiving financial support from the European Union and creating a region's financial infrastructure. Nevertheless, these activities did not improve the essence of local economic development but just as cultural symbols with political goals (Magalhães, 2014).

The discretion in the financial and implementing decentralization of the central government created many flaws in state management. The patron-client relations or the connection between the economy and the discourses that were characteristic of Southern European countries were more favorable when there was a sizeable financial influx of EU funds. The regional investment management did not reduce regional disparities but widened disparities between regions within the country. These policies create not only fake effects in economic development but also were potential for future instabilities. Typically, the Portuguese debt crisis of 2008 was the concrete evidence of these problems.

Portugal had no boom and bust trajectory. The Portuguese economy in recent years has never been abundant in financial capital. Fundamentally, Portugal's growth has had a lack of capital growth. This reason was also fundamental for the collapse of Portugal's public debt ceiling during the global economic crisis. The excessive deficit stemmed from anemic growth. Portugal's weak economy, coupled with the lack of necessary preparation, the shortage of seriousness in state reform were the fundamental reasons for the economic collapse of Portugal at the end of the last decade.

The two critical causes of the breakdown in Portugal's economy were wasteful expenditure, keeping the old structural model of the state. In the context of a comprehensive

restructuring of the global economy, the European economy has also changed dramatically. The EU regional development policy aimed to restructure the European territory in order to create a framework for competitive development between countries and regions of the country, facilitating the support of the EU's fund on capital growth as well as reducing local disparities. The lack of radical central government reform created gaps in the management of cash flow, thus reducing the efficiency of development responsibilities of central and local public organizations and facilitating breakdown at the national level.

Some scholars view the institutional path or institutional stickiness as a fundamental problem for public debt default in Portugal. It has spoken the declining competitiveness of nations and performed the source of public debt growth in some of these countries (Dooley, 2017). When Europeanization became a symbol, and European integration became a benchmark for public debt growth models in Portugal, the reviews and considerations of institutional pathways to understand the origins of these models are necessary.

4.4.2.4 Some lessons of state rescaling from the UK

The decentralization of the UK is very different from the decentralization of the Napoleonic countries. Due to the specificity of the decentralization mechanism issued by the National Assembly, the decentralization policies will be more stable, and the adjustment of these policies will be more difficult than in the Napoleonic countries. The decentralization mechanism will be flexible only for the congressional members.

The decentralization pressure creates distinct structures in territorial state system reform. Substantial decentralization from the UK government creates certain flexibility for individual member states in territorial economic development. The result of this policy also depends on the capacity of the local government. Restructuring by different policies has also produced mixed results, such as building people's ability in Wales, pursuing specific regional policies, Northern Ireland pursuing the development of knowledge economy.

Territorial structural reform is not very clear in the United Kingdom, as the National Assembly's member states have the power enough to guide local development policies. The UK's territorial structure itself has been fragmented so that UK member states are entirely self-reliant in developing the local economy, shaping the governance structure, and many other factors. Therefore, the transformation of the territorial governance structure is wholly by the National Assembly of the Member States based on decentralized power from the UK.

The robust decentralization process in the UK has many similarities with the robust decentralization process for localities in Vietnam, such as the decentralization of local power, creating many complexities in the management mechanism. Many units are like extended arms of the central government.

In contrast, the UK gives asymmetric rights to localities, creating local autonomy in shaping and building management systems.

- Member States of the UK are more self-reliant in arranging the structure of local government agencies than others.
- Certain focal entities in shaping local strategic policies such as the National Assembly, or the INI of Northern Ireland, will be more easily integrated with UK-wide development policies, and more effectively. in using resources for local development
- The establishment of nine regional development agencies in the UK is riskier and does not produce tangible results in regional development.

CHAPTER V: CONCLUSIONS AND RECOMMENDATIONS

Over the past 200 years, although the Vietnamese state institution has transformed many times to adapt to the historical context, the structure of regional development and trajectory of regionalization has changed differently in each stage. It seems to me that the regionalization in Vietnam in the past forty years after the country's unification has not met the demand of expectation of Vietnamese people and policymakers. Moreover, people are concerned about institutional reform issues in the public sector because of the corruption crisis relating to public land, public cadre, public finance, etc. The solution to these issues was not immediately obvious then. Therefore, the thesis of regionalism and regional development policy in Vietnam in light of the European Union was born in that context. I felt strongly that state reform in the direction of regional development might be a new orientation for Vietnam then. I expected that the study would provide some important lessons from the trajectory of state rescaling of some European countries in the European Union's territory.

After focusing on studying the topic, I am firmly convinced that state reform with an orientation of regional development may be useful to advance the sustainable development in Vietnam in the future. Therefore, the advance of Vietnamese scholars and policymakers' general awareness is very necessary and important at first. Then, the effectiveness and efficiency of the regional structure are benefited from regional development policy can be come later. In the scope of the dissertation, I would like to advance some perspective on some scientific contributions as below. The first goal is to advance awareness of the theory of state spatiality and state rescaling. The second one is to advance the perception of Vietnam's state space and the Vietnamese regionalism trajectory and their related issues. The third is to tract European Union policy as a reference framework for some applied cases of regional development policy.

As far as some related hypotheses concerned, I am strongly convinced that there are some significant conclusions as some brief below.

First, the characteristics and structure of regions in Vietnam are sharp, the historical perception of regionalism is also clear, but the effectiveness and efficiency of regional development policy is vague.

After more than 30 years of development, the Vietnamese Central Party's orientations for territorial development are timely and meet the requirements of the domestic and international contexts. Its rural policies have a proper direction, improving the standard of living for the people throughout the country, especially people in rural areas. For each period, territorial systems have received the support of the people and local authorities at all levels, and excellent results in territorial and local development have also been recorded, contributing to the country's overall development.

However, I am convinced that there is a weak perception in regional development policy both in theory and practice. It is my belief that the synchronization in a regional institution created many barriers in the implementation process of regional development policy. Therefore, the structure of regional governance has not yet met and not created an impetus for the robust implementation of the regional development policies in reality. The regional governance structure is vague, and it also created difficulties for local coordination mechanisms, which did not produce agglomeration at the regional level. It seems to me that the regional development policies are effectively implemented or depend on the relationship between the administrative system, social resources, dependence on state thinking, and state strategy.

It is my belief that although regional efficiency is influenced by the thickness of agglomerations, exogenous public intervention on spatial issues and general goods and policy risks. First, agglomeration thicknesses ensure cohesion in economic activities but are not sufficient conditions for high growth in practice. In Europe, "where space for large agglomeration grows is limited," while polycentrism is high (Barca, 2009). Secondly, regional efficiency is defined as the full exertion of capacity, which achieves the maximum output value. Fulfilment of function is not determined by technological conditions but through political and institutional decisions (Barca, 2009). Moreover, the problem of exogenous interference from the public will decide whether or not there are local public goods and services. In principle, the government should consider options, assessing the potential of overwhelming industries, sustainability. However, due to the limitation of government information, this factor becomes a barrier to maximizing the efficiency of the economic territory.

I am concerned that the place-based localism approach is a double-edged sword that will become useful in the case of Vietnam, where competition and the independence of localities in development are needed. Although it also contributes to promoting local endogenous development and contributes significantly to social policies such as poverty reduction, I believe that it will be more effective if applied under certain conditions such as general network strategies, productive resonant agglomeration. Significantly, I am convinced that this study partly contributed to the reform process in Vietnam. It also opens up another perspective on current regional development policies. The application of policy models developed from other countries in the world in the context of Vietnam needs more verification than this study. It does, however, provide initial screening and groundwork for further policy assessments.

Moreover, in my opinion, Vietnam needs a new perspective on sustainable development. The regional planning and regional governance institution should be seen in a more synchronized way. Regional economic reengineering and regional governance restructuring will be a top priority for the development process. Territorial reconstruction following regional structure is an indispensable process for all countries in each stage of development.

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

The second significant conclusion is that the multi-level regulatory regionalism in Vietnam can be a new orientation for regional development in Vietnam.

In the context of globalization and regionalization at present, many new scales are set up, many of the organization's new spaces are being set up as new forms of competitiveness (Jessop, 2002). Many new state spaces are set up based on the context of globalization in many regions such as in Europe (Oosterlynck, 2010, Varró and Faragó, 2016b), in Asia (Park, 2008, Su, 2012a), I am convinced that the transformation of state space in Vietnam is indispensable.

I believe that a new perspective on state rescaling for the regional development in Vietnam in the context of international integration can give significant lessons and contribute to the transformation and adaptation of state institutions in the context of supra-regional integration for institutional reform.

I firmly believe that the rescaling the state in the regional development is an inevitable challenge for all countries in the context of secure economic integration and globalization. However, integration in a productive way and the right adaptation to the new regime is not easy. The separated institutional characteristics and different development contexts need different development goals and routes. Vietnam is the country that is unique in the region based on many factors such as history, politics, economics, geography, etc. and it is facing many challenges of the major institutional reforms.

The argument tries to choose a new direction in the emerging regulatory regionalism in the Asia Pacific with regional development institutions in Vietnam. The SWOT analysis in the current context ensures enhanced accountability of localities and harmonizes the institutional model of the regulatory regionalism and national institutions. Although the unclear political strategy of the Vietnamese state can possibly lead to unstable results, the consistent political strategy of the Vietnamese leaders will strongly determine the direction and speed of the national development.

In the world with many volatilities as the present, I recommend that Vietnam take charge of one of the important roles in the ASIAN supra-region that stabilizes the issues relating to South China Sea political security. Moreover, it is my belief that Vietnam has an

excellent position as the main door of the Indochina peninsula; therefore, the economic function of Vietnam in economic health is critical.

The third important conclusion is that the state logic has significant effects on Vietnamese territory logic and vice versa.

In a broad view, the author provides the broader point of view regarding the central government that uses independent variables as core issues and comprehensive empirical evidence about the emergence of new local government approach in Vietnam or intra-regional regulatory mechanism recognized by the geographical characters. At first, the author claims that the above-justified results indicate that the state spatiality system at the regional level has many similarities, thus being easier for reform of development institutions in Vietnam, in my opinion.

Secondly, a new local government mechanism can be recognized at the regional level; in other words, and the exciting result is that the state space system can be realized by regional geography. I assumed that instead each province has its coat to facilitate local development; the central government can merely sew three shirts for three regions. In other words, it is easy for the Vietnamese state to build a state space system for three areas, which can optimize the state system, minimize relatively the bulge of the system and make many changes in regional development in practice in Vietnam. Therefore, it is argued that it has played a significant role in triggering a new local government level and promoting regional development in Vietnam.

However, I reckon that the transformation of the state space system and its interpretation of the territories that facilitates to the development are a big challenge. Therefore, it needs the participation of many experts in many fields. There could be a case for saying that within the limits of this study, only a proposal is made for the Vietnamese government based on a PCI data analysis or development index over the past ten years is not enough. Under Kornai (2008)'s approach, changes in governance systems have a profound impact on the national economic structure and governmental territorial structure. It is my extended perception that transformations of the state system create irreversible decision trees in many critical economic fields such as ownership, economic relations, financial relations, business risk, land tax, planning, corruption, even economic short-term circle in Vietnam.

Regarding the recommendation, at least three independent applications can be studied further from the results of the study. On the one hand, first, I recommend that the scholars are possible to pay attention to continue to study on land legislation at the central level. It means that the system of land policy needs to be considered, assessed, and improved. For example, regarding the land issues, the granting and withdrawal of the licenses of agricultural land for farmers in the past many years have many unexpected and uncertain results, causing public anxiety and nervousness, even more cases went further into the extremely severe case.

Secondly, it seems that the scholars should have more and more further research on training and labor policies in regional perspectives such as educational and training systems, the welfare system, the linkages between employers and employees, etc is needed. Third, I believe that there should be more and more of some further investigation of complaints, denunciations, and protests. These three further studies have a direct impact on people and businesses. It can increase or decrease the efficiency of economic resources, which can support and also hinder the development of the country and the pile of people. On the other hand, I am convinced that the regulatory regionalism can become a general solution for a group of administrative units with similar characteristics. In practice, it has long been my belief that on the one hand, the regionalism can follow the standardization of administrative divisions according to EU criteria, as well as regulatory regionalism can increase sustainability in development policies. On the other hand, it also can have a positive impact on the reorganization of the state structure (from the vertical layer to dimensional one), and the regionalism can also reduce the overloading in the administration of the central government at present.

The fourth conclusion from the list of hypotheses above is that some references of EU regional policy and regional institution transformation of some European countries bring some significant lessons for Vietnam.

As far as lessons concerned from the European Union, it is my belief that the administrative tradition will determine the level of policy adaptation in Europe. Firstly, there could be a case that governments with a non-robust governance structure (Napoleonic group) will be more likely to adapt. However, this group tends to transform more decentralization. In contrast, it seems that countries with a robust governance structure (Scandinavian and Corporate group) that are often difficult to adapt to European regional policy tend to rescale their state more in the direction of the territorial structure. Given the Baltic states, I feel that the tendency of rescaling the state to conform to the major structural change of the territory is primary; the countries in the North Sea region have policy-oriented governance reforms.

In my view, the administrative tradition does not determine the success or failure of the state rescaling but shows how easily a state changes the structure of territorial governance. I would agree that each administrative tradition will create a path-dependency in the transformation of the system, therefore awareness of the administrative tradition will give a compelling perspective on the speed of system transformation and state restructuring. Besides, for each administrative tradition, in order to transform the state structure, the demand for different political support also creates other path-dependencies.

Moreover, the author strongly feels that considering the administrative traditions as an influential factor in the multi-level governance framework, the success of structural reforms depends much on the organizational culture. The characteristics of the national regulatory tradition will have a powerful influence on the multi-level governance structure. It is because the administrative tradition is characterized by the state's governance structure, which will

interpret the state logic vertically and horizontally. Therefore, this factor needs to take into account when restructuring multi-level governance in the EU. The difference between the state logic of nations can lead to disagreements in governance cooperation, difficulties in regional governance cooperation, regional economic growth, even differences in civil societies also created problems in the network integration.

As for the recommendation of the macro-region strategy and many other EU policies, I believe that awareness of the administrative tradition shows how difficult it is or how easy it is to change the state's governance structure when it receives top-down policies from the EU. I also firmly believe that each administrative tradition has specific characteristics that enable policymakers to plan strategies in the following scenarios. First, countries with the same administrative tradition will have similarities in the pace of structural change. My recommendation for this is that these countries should also take administration tradition into account when imposing macro-region policies. Secondly, Napoleonic countries tend to change their structure more rapidly, but the degree of effectiveness of structural change in governance over the structural change of this group needs further studies. In my view, this group also tends to change authority more than rescaling state, and the influence of politics more or less influences the tendency to change the governance structure within the group. Therefore, I recommend that the results of state reform for regional development should be reviewed carefully. Third, corporate countries are often more difficult to change in structure, but they tend to change the structure of governance in territorial structure orientation, in other words, rescaling state. In my view, the group of these countries has a better mindset in state reform for regional development than other teams. For the new member state group, the tendency to transform governance structures is influenced by state logic. The state logic of this group is variable, and the dominance of political factors influences the structural change of management rather than the top-down policy from the EU. It seems to me that the political factor in these countries should be taken into account. In summary, the path-dependencies such as standard operating procedures, norms, high transaction costs, and institutional structure basically decide whether the policy is efficient.

As some specific lessons and recommendations from European states are concerned, I am convinced that each country's state logic and territorial philosophy are very important, thus being perceived most clearly first. Each country has a long history with many different characteristics on geography, human capital, political institution, etc. Therefore, I believe that each country should take a distinct way toward the civilization of human beings. In the case of Vietnam, in my opinion, there are many spatial-social lessons from many territories and countries around the world. However, I am convinced that the institutional path and related issues are significant for development goals, which should be taken into account first. I strongly believe that it can change the labor culture, increase economic productivity, reduce resource waste, and optimize the system more effectively, which has been justified from many lessons of European countries above.

To sum up, the European Union's regional policy has been built and developed powerfully from the territorial perspective and the development orientation of regional structure in Europe. Therefore, the development approach based on the territorial structure is one of the most crucial orientations for building state capacity for regional development in almost all of the countries around the world.

APPENDICES

	Components	Wilks' Lambda (Test of Equality of Group Means)	Sig.
Land policy issues	Land Security	0.830	0.000
	Informal Charge	0.880	0.000
	Proactivity	0.892	0.000
Soft-infrastructural support	Business Support	0.998	0.529
	Labor Training	0.999	0.784
	Transparency	0.971	0.000
Public institutional matter	Regulatory Compliance	0.934	0.000
	Legal Institution	0.877	0.000
Entry cost	Entry Cost	0.989	0.036
All			

	Function	Eigenvalue	Eigen Value (Cumulative%)	Wilks' Lambda	Sig.	Correctly classified
Land policy issues	1	0.254a	91.9	0.780	0.000	52.1%
	2	0.022a	8.1	0.978	0.001	
Soft- infrastructura l support	1	0.040a	92.7	0.959	0.000	41.1%
	2	0.003a	7.3	0.997	0.387	
Public institutional matter	1	0.157a	99.8	0.864	0.000	46.5%
	2	0.000a	0.2	1.000	0.672	
Entry cost	1	0.011a	100.0	0.989	0.036	35.4%

		Land policy issues			Soft-infrastructural support			Public institutional matter		Entry cost
Regional code1		Informalcharge	Landaccess	Proactivity	Transparency	Busisupport	Labourtraining	LegalInstitution	Timecost	Entrycost
1.00	Mean	5.6712	5.9585	4.7143	5.6481	5.0944	4.9519	4.7899	5.6620	8.0145
	N	139	139	139	139	139	139	139	139	139
	Std. Deviation	1.03235	0.83912	1.17705	0.91513	1.37967	0.97578	1.12106	0.94353	0.88203
2.00	Mean	6.1195	5.9110	4.8745	5.9608	5.4591	5.6916	4.8738	6.2547	7.9802
	N	109	109	109	109	109	109	109	109	109
	Std. Deviation	0.95436	0.87731	1.29575	0.60740	1.26791	0.98432	1.00855	0.86876	0.79831
3.00	Mean	5.9028	6.1492	4.8322	6.1201	5.3982	5.3955	5.0694	6.4071	8.3021
	N	140	140	140	140	140	140	140	140	140
	Std. Deviation	0.90929	0.72940	1.15321	0.59102	1.24373	0.94474	1.18552	0.81538	0.78481
4.00	Mean	5.7208	6.2290	4.1728	5.5780	5.2068	4.6974	5.1176	5.5572	7.8596
	N	50	50	50	50	50	50	50	50	50

	Std. Deviation	0.92192	0.53392	1.09697	0.94287	1.26011	0.88584	1.00344	0.80562	0.82519
5.00	Mean	6.3187	6.3613	5.3623	6.2070	5.6405	5.6972	5.2183	6.4585	7.8900
	N	60	60	60	60	60	60	60	60	60
	Std. Deviation	1.08842	0.86566	1.24328	0.74885	1.38214	0.91379	0.96904	0.75044	0.82481
6.00	Mean	6.7956	7.0015	5.7680	6.0369	4.9906	5.0445	5.6562	6.8949	8.2812
	N	130	130	130	130	130	130	130	130	130
	Std. Deviation	0.87778	0.75739	1.19438	0.66802	1.33311	0.74241	1.03951	0.99238	0.76073
Total	Mean	6.0992	6.2687	5.0053	5.9359	5.2651	5.2493	5.1131	6.2539	8.1036
	N	628	628	628	628	628	628	628	628	628
	Std. Deviation	1.03781	0.88055	1.28002	0.76471	1.32462	0.96860	1.11738	0.99523	0.82626

		Land policy issues			Soft-infrastructural support			Public institutional matter		Entry cost
Regional code 2		Informalcharge	Landaccess	Proactivity	Transparency	Busisupport	Labourtraining	LegalInstitution	Timecost	Entrycost
1.00	Mean	5.8682	5.9376	4.7847	5.7855	5.2547	5.2770	4.8268	5.9225	7.9994
	N	248	248	248	248	248	248	248	248	248
	Std. Deviation	1.02147	0.85469	1.23066	0.80834	1.34138	1.04448	1.07176	0.95618	0.84475
2.00	Mean	5.8549	6.1702	4.6587	5.9775	5.3478	5.2118	5.0821	6.1834	8.1857
	N	190	190	190	190	190	190	190	190	190
	Std. Deviation	0.91372	0.68296	1.17252	0.73802	1.24758	0.97717	1.13805	0.89332	0.81713
3.00	Mean	6.6450	6.7994	5.6399	6.0906	5.1958	5.2506	5.5179	6.7571	8.1576
	N	190	190	190	190	190	190	190	190	190
	Std. Deviation	0.97218	0.84527	1.22145	0.69708	1.37880	0.85405	1.03553	0.94306	0.80037
Total	Mean	6.0992	6.2687	5.0053	5.9359	5.2651	5.2493	5.1131	6.2539	8.1036
	N	628	628	628	628	628	628	628	628	628
	Std. Deviation	1.03781	0.88055	1.28002	0.76471	1.32462	0.96860	1.11738	0.99523	0.82626

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SUMMARY

Chapter I: Introduction

Together with the globalization, the growth of supranational regimes, the resurgence of regional and local governance, and regional development policy have been widely reliable in the world. It is helpful for all of the countries not only to have more opportunities in mobilizing the external resources but also reducing the development divergence among different areas. These transformations of global regulatory mechanism have impacted on many countries. Vietnam is on the turning point of the changing world, with much effort to transform the state and restructure its institution after thirty years of "Doimoi" reform since 1986. The thesis takes Vietnam as a case study to research regulatory regionalism and regional development policy in Vietnam in light of the European Union.

The thesis eagers some main research goals as below. Firstly, it contributes to advancing the awareness of state space (Lefebvre, 2009) and state rescaling (Brenner, 2004). Moreover, the author made an effort to advance the perception of state and space in Vietnam and verify the policy trajectory of regional development and contribute to a perception of an institutional crisis in Vietnam's development. Furthermore, the research on the policy framework of regional development in the European Union is a new useful reference for policy development research in Vietnam. Finally, the research tried to create a new point of view under the prism of regulatory regionalism to advance the timely perception of state management to disentangle a part of challenges in institutional transformation in Vietnam.

Therefore, the author builds four main hypotheses for justification as below. The first hypothesis is that the characteristics and structure of regions in Vietnam are evident, the regionalism is perspective from history, but the effectiveness and efficiency of regional development policy are vague. The second hypothesis is that the multi-level regulatory regionalism may be a new orientation in Vietnam. Thirdly, the state logic has a significant effect on territorial logic and vice versa. The last hypothesis is that some references to EU regional policy and regional institution transformation of some European countries bring some important lessons for Vietnam.

Chapter II: Overview of literature

2.1 Literature reviews

2.1.1 Globalization and regionalization and multi-scalar regionalism

There are many conceptions of globalization and globalism and their impacts on the world. They can be understood in a general way as a process of a world-wide integration and transcendence with a representation of ideology, organization, and economy (Farazmand, 2006). When globalization can be characterized as "a supercomplex series of multicentric, multi-scalar, multitemporal, multiform and multi-causal processes" (Jessop, 2002a)p113, regionalization and regionalism can be referred as a specific part of globalization and

globalism in a specific area. It can be understood as a group of states who become principal players in the globalization game such as EU, NAFTA, ASEAN, MERCOSUR, etc. It can also be referred to as a reconfiguration of sub-national administrative boundaries and capacities. As a result, these processes have created integrated blocks such as free trade areas, common markets and monetary union among sovereign states (Piattoni, 2016). Instead of 100 states, there could be only ten regional organizations, an instance with the European Union representing 28 member states. It has reduced national variations in rules and outcomes in all areas. Besides, it has boosted to decrease the transaction cost within each group (Lane, 2006). Globalization and regionalization have changed the global and regional set of rules on the world, and globalism and regionalism have kicked off a considerable dispute about governance.

2.1.2 Debates of State and Models of Rescaling State

Some scholars support the view of the "end of the state and administration" (Stever, 1988, Strange, 1996a, Farazmand, 2006). Strange (1996b) argues that instead of markets mastered by governments, now markets orientates governments. She reflects the state's retreat by the increase in some institutions and associations at supra- and sub-regional levels. Recently, most states tend to restructure and transform in the context of globalization and regionalization (Farazmand, 2006). New state space and spatial state theory were born then, and it has appealed attention to fields: politics, economics, and public administration (Brenner, 2004). Together with new state space theory of Brenner (2004), the proliferation of the literature on state spatial restructure and state rescaling kicked off and has been examined in many practical disciplines and in many regions around the world such as territorial articulation at supra-regional level (Jessop, 2002, Gualini, 2006, Keating, 2013a), trans-national cooperations at regional level (Gualini, 2004, Su, 2012a, Su, 2012b, Su, 2014), territorial reorganization (Jonas and Pincetl, 2006, Pemberton, 2015) and politics of spatial policies in South Korea, Belgium, and Hungary (Park, 2008, Oosterlynck, 2010, Varró and Faragó, 2016b), etc. More concretely, scholars attempt to define 'rescaling as a complex set of political-institutional and social practice that put the spatial scale at issue in public policy and governance' (Gualini, 2006) or as refer the transformation of economic, social and political systems creates new spatial levels above, below and across the national State (Swyngedouw, 2004) the process of change of social regulation, collective action, and representation from federal land to new territorial levels (Keating, 2013a).

Others refused the idea of the end of the state. They have argued that globalization has been exaggerated and that the countries remain high with crucial governance functions. Indeed, it can not deny the close relationship between state and space. At first, Lefebvre's theory of the production of space Lefebvre (2009) focuses on the production process of social space as languages and institutions within its territory. He assumes that the state and area interact with each other in a mutually constitutive manner, or it can not be denied the close relationship between state and space. Lefebvre (2009)p226 claims that

"State tends to impose a rationality, it's own that has space as its priority tool. The economy is thus alternate in spatial terms, a qualitative leap occurs the emergence of the state mode of production (SMP)". He perceived that "the articulation between the SMP and space is thus crucial; it differs from previous modes of production and their manner of occupying natural space; this rationalization and socialization of society have assumed a specific form, which can be termed as politicization or statism". In other words, the State supports and supplies relationships of the production process of space to install its logic based on its privileges on its territory. It can be understood as state's space that characterizes its ideology, its modes of production, its bureaucracy, etc.

Some extensive theories describe the character of the state. Kornai (2008) assumes that there are three main characters of state space, from a historical perspective, they are unavoidable traces from history. It had been performed much clearly before the Cold War. Indeed, the modes of production of space are typed into two primary structures: capitalist SMP and socialist SMP before the Cold War collapsed. According to Kornai (2008)p127, there are three principal characters of socialist SMP including: "a dominant role in ownership relations being public ownership", "the dominant role in the coordination of socioeconomic activities being central directed bureaucratic coordination" and "a monopoly of political power is a Marxist-Leninist Communist Party". It corresponds to three primary characters of capitalist SMP, including private ownership as the dominant relation, the market as the effective coordination of socioeconomic and no political power as the monopoly of political power.

Some extensive theories describe the character of space. Some would believe that building state capacity, reforming national public administration, changing private state institutions should be perceived from below. There are three approaches in identifying the characters of public administration system or administrative traditions, including historical institutionalism, culture, and state traditions (Painter and Peters, 2010). Most would assume that all of them have some similar characters in a space approach. Coming back to the theory of the production of space (Lefebvre, 2009), the cultural and historical institutions, language, and periodization or state's strategies can overshadow manner features. However, their values and core foundations of territories could not be denied. In another approach, it would be believed that there is a link between the pattern of behavior and broad cultural patterns (Painter and Peters, 2010). It is understood that the foundation of culture and models of behavior influences on the operation, efficiency, and effectiveness of public bureaucracy – the central institution of the state.

2.1.3 Regionalism in light of the European Union

In the context of globalization and regionalization around the world, the re-establishment of the European Union (EU) has created a new growth impetus for regionalism and regional policy in Europe. Regionalism was formed in Europe with many goals. First, it helps to locate regional economic units to maximize overall output and maximize production

specialization. Second, it helps to change local perceptions and receive regional disparities support from the EU.

Regionalism has been a first initiative for institutional reform in many European countries to adopt the European Union's regional policy, and internal state restructure. "Regionalism is understood as the creation of a new level in state territorial organization; the establishment of the new institution, which can vary widely with regards to type, responsibility, and power, yet always established above the level of existing local institutions. They can be defined in a very flexible manner, and include regions that are only subordinated levels of the central government, or, in the narrow sense, an expression where a region is a territorial authority, which can be further differentiated according to its constitutional status (Marcou, 1998)."

Regionalism in the EU is the basic unit for the development support of regions in the country. It is the individual choice of each state or a choice of national, regional policy. Although there is a difference between the local policy of the European Union and domestic, regional policy, regionalism allows for the recognition of a regional dimension, thereby making the region a sort of universal institutional reference point.

As for the multi-level regionalism in the European Union, the multi-level regionalism is understood as variations of the MLG that shape the regional economy's structural change. Piattoni (2016) argues that there is a three-dimensional analysis of space, includes international cooperation, subnational renewal, and transnational mobilization. The first dimension is understood as cross-border cooperation, the second is understood as territorial policy, and the third is perceived as political mobilization.

2.1.4 Regionalism development policy in light of the European Union

The establishment of the European Union has created a new impetus of territorial cohesion and state restructure in Europe. Moreover, the regional policy has been viewed as the main articulation tool for the EU. "EU Cohesion Policy works as a regional and urban development policy within a single common overall legal framework applied across EU" (McCann, 2015). The terminology of the EU Cohesion Policy has become an important element of European Treaties. According to Article 3 of TEU and Article 2c of TFEU, EU "shall promote economic, social and territorial cohesion and solidarity among the Member States" as well as share "competence between the Union and Member State in economic, social and territorial cohesion."

The EU regional policy is designed to foster solidarity and cohesion in Europe to support the Europe 2020 agenda. It means that each region can achieve its full potential in reducing inequalities such as social deprivation, poor-quality housing, healthcare or education, unemployment, or inadequate infrastructure. Although the regional policy is perceived as a powerful mechanism to support territorial structural change and redistribution in more deprived areas, regional policy awareness tends to change to help the region

themselves facing and solving their problems more than the redistribution of the incomes among areas (McCann, 2015).

2.2 The situation of rescaling state in the European Union

The establishment of the European Union has created a new impetus of territorial cohesion and a new wave of state rescaling in European countries. The review of state rescaling of European states in the context of neoliberalism are showed as follows:

By the EU's regional framework, each country has the fundamental dynamics to restructure the state based on its development orientations, but they are fundamentally based on innovations, welfare, and workfare. The five groups of countries based on Painter's traditional administrative classification are classified, synthesized, and evaluated (Painter and Peters, 2010). Almost all countries have changes in regional policy administration and delivery systems. In other words, the delivery power is reallocated across the administrative tiers or how states change the scales horizontally and vertically.

Napoleonic tradition states include France, Greece, Italy, Portugal, and Spain. This group's structural characteristics are the centralization of the central government, creating powerful changes in the rescaling state in this category in the context of neo-liberalization. The transformation of the state space in this group is most effective, because of the centralized state system and the fragmentation of local government (municipality statistics). The role of the state is evident in the process of transforming the state space. This group shows how easy it is to modify the governance structure. However, because of the ease of decentralization, this group is more likely to transform decentralization than to change its structure.

The traditional corporate states consist of Germany, Netherland, Austria, Switzerland. This group's structural characteristics are the organic structure of the economic system, thus creating many difficulties in the structural change in the context of neoliberalism. German regionalism trial research was found to be unsuccessful because of the tightness and organic nature of the model of economic development. In other words, the transformation of public space is somewhat inappropriate in Germany because of the existing decentralized power structure (Fürst, 2006).

The Anglo-Saxon traditional group includes UK, Ireland. This group of nations emphasized on service-oriented management style. Perhaps the management style of this group has an origin from the British industrial revolution with London was a world economic center where is famous for international trade. The trends of territorial reform or change of the state spatial hierarchy of these countries are also oriented by service style.

The Scandinavian traditional group includes Sweden, Norway, Denmark, and Finland. These countries are well suited to regional policy in Europe for two reasons. First, these countries soon formed the Nordic-region agency to download the EU concept and upload the Nordic idea into the EU. Secondly, these states soon established promotional-adjusted policies

for regions. Thus, the strategy of maintaining and developing the territorial structure of the Nordic countries has a solid foundation in line with the neo-liberal context.

The group of New Member States includes Hungary, Slovak Republic, Czech Republic, and Poland. These are the countries that experienced the Communist Party rule and were heavily influenced by the Soviet administrative model. In the process of joining the EU, most countries have been challenged EU regional policy for many reasons: territorial structure, outdated administrative system, history legacies... Therefore, the success of downloading the concept of EU regional policy for each country is very different.

There are some references for rescaling state for regional development in the European Union.

Firstly, Hungary is a useful reference for rescaling State in Europe as a representative unit of the post-communist team. Not as other countries in Central Europe, Hungary is the most ambitious country in regional development objectives: improvement of territorial competitiveness, the decrease of regional disparities, sustaining territorial development, heritage protection, integration with Europe, decentralization, and regionalization. These policies are focused on many key territories such as underdeveloped areas, specific rural areas, the development poles as Budapest metropolitan areas (OECD, 2010b). In terms of governance structure, the nascent political system of spatial development emerged from the 1996 Act through a complementary institution for regional and spatial development. Naturally, this emerging system did not challenge the old one, but they became to exist parallel together (Varró and Faragó, 2016a). Although Hungary received a large amount of EU financial supports, the new light version of regionalization and the centralized expenditure system of the central government could meet the demand of regional development as regional strategy makers (Varró and Faragó, 2016a). The poor performance of the public administration system is a clear signal of the wrong structure that needs to reshape, not only territorial rescaling or redrawing as the present. In the context of transition, the institution of the organizational and operational framework should be completed at meso-level as NUTS2 of the EU (Kovacs, 2011).

Secondly, Sweden is also an excellent reference in Europe as the representation of Scandinavian and corporate teams. As far as Sweden is concerned, the Swedish State is well known for the system of nations that followed the path of early capitalism in the opposite direction with the United States. The Swedish government's management system has changed a lot since the early 1990s by enhancing the role of business companies in company-level wage bargaining to improve employers' competitiveness. But these changes did not last long, and the state enhanced the economy's changes towards upgrading high-tech industries and regions. Concerns about the collapse of the Swedish model did not come true in reality, although the policies that supported degraded sectors decreased, the presence of banks was for the restoration of the high-tech economy. Its entry into the EU in 1995 created new competitive pressure for the Swedish industry. Sweden was more dependent on EU policies of the labor

market or employment policies. Intending to raise the capacity of European workers, this surprisingly was in line with the policy of raising the capacity of high-tech human resources in Sweden. During the years from 1994 to 2006, Sweden gradually transformed itself into a leading knowledge-nation. Thanks to the welfare strategy during the 20th century, Sweden has become the country with the lowest inequality of regional GDP per capita in the OECD member countries. The difference between the regional income gap and the regional disparity put Sweden into the smallest group in the EU. The picture of the countryside in Sweden is still perfect. The regional development policy in Sweden only adds more color to the economic picture of Sweden. The regional policy in Sweden was initially shaped to address the structural problems of obsolete industrial development. Sweden has a government that decentralized the most in the countries of the OECD for the problem of service management at the local level. However, the development plan or field has been still managed by the central one. Local government has not been allowed to discuss on the development issues and territorial planning. After joining the EU in the late 1990s, the structure of power in the administrative delivery changed in the "experimented" region, and a range of organizations at the regional level was introduced and implemented. Secondly, the Parliamentary Act of 2002 was issued with a mechanism for shaping regional coordination bodies if all localities agreed. From 2007 to 2009, the regulatory regionalism was described as a more substantial demand from the localities. This motivation starts with the research recommendations of the future of regionalism. Although this reform has not yet been applied nationwide, since 2008, seven localities have actively merged, and the central government is examining the proposals of these localities.

Thirdly, Portugal is one of representation of Southern Europe team. The tendency to restructure the state's role was increasingly evident in changing the function of continental, national, regional level, etc. In the Southern European countries, the decentralization trend was most pronounced in Spain in the early 1980s, followed by Greece and Portugal. The power of localities was increasingly expanding in Southern European countries on fundamental service issues for the people and economic development. Local governments had become vital forces in mitigating local social tensions and connecting local social groups. In the reform years since the 1980s, the central government encouraged the participation of the private sector in Southern Europe. Although the welfare state has never been presented in southern Europe, welfare policies were continually expanding positively. The regional policy also tried to initiate a series of efforts to promote, regulate, and increase flexibility in local endogenous development (Syrett, 1994). The process of European integration projects partly contributed to the Portugal crisis. These projects aimed at reducing the gap between European countries with a "one fits for all" model did not take the resilience of the economy, the differences among the capitalist models into account. They had contributed to the emergence of new growth models among EU member states, which were much different from the first orientation from EU policy. After decades of change, EU policy has transformed Portugal's development strategy in repositioning the regional plan of reducing regional disparities and

growth targets. Portugal also attempted to increase regional competitiveness to maximize national growth and reduce regional variations. Nevertheless, contrary to the objective of reducing regional differences in the country and reducing regional disparities in living standards of the EU's regional policy, the expenditure and allocation from EU supporting funds to these countries created more divergence in the general rule of living in Europe. Especially, Portugal and Greece were two typical examples. These countries are located in the Eurozone, and their wasteful expenditure created more significant flaws in the EU's living standards gap (Petmesidou and Glatzer, 2015).

Finally, the United Kingdom is a good representative example of Anglo Saxon team. The UK is an extraordinary country with differences in territorial development policy from the rest of Europe. The divergence of the UK's regional system is a very different case of the structural change in Europe. First, restructuring the economic governance restoration system is a representation of system reform in Wales. The restructuring of Wale's economic territory was given to ELWa (Agency for Capacity Development), and the Agency for Economic Development, which is understood as the arm length unit of the state for its purposes as well as the other economic development organizations is how to improve skills and learning capacity for the workforce and to create a sufficiently skilled and entrepreneurial population class. The agency itself is an integration of 6 different divisions, and six different cultures also operate it; even people do not understand its function. Too much skepticism about the operation and role of ELWa was created in the political system of Wales. In 2004, the Welsh government decided to exert control over economic development instead of using the ELW unit because of its failure (Goodwin et al., 2006). Second, decentralization in economic governance is the representation of system change in the UK. Decentralization in economic governance in the UK was driven by the establishment of nine regional development agencies in 1999. Unlike Wales, Northern Ireland, and Scotland, the UK has a mix of various government policies and regional development agencies. The government considers these agencies as basic units in regional development and regional economic development drivers. However, institutional change from the new Labour has created a complex chain of local economic governance. The Regional Congress, established by the local government, the private sector, and voluntary units, will carefully review the regional development strategy drawn up by the regional development agency above and act as the regulatory body to plan and issue these strategies. The LSCs Capacity Building Committee was established in 2001 to create a system of 47 local LSCs as a sub-regional level. Similarly, the RDAs also established partnerships to enforce their local economic strategies, thus creating tensions in cross-functional functions between different units in local development in the UK. Third, speeding up the knowledge economy is a strategic orientation of system transformation in Northern Ireland. The new Northern Ireland Parliament approved the "Strategy 2010" in 2001 after the devolution with the aim of "a knowledge-based economy, innovation, competition and rapid growth where there are many new opportunities and People are equipped to capture. Invest Northern Ireland (INI) was established in 2002 as an independent government agency funded

by the Department of Enterprise and Investment (DETI). Government. This agency holds the functions of almost all other units in Northern Ireland's economic development, such as the Local Business Development Agency. They argue that INI is part of a larger body, part of a more extensive system, and above all, a political entity (Goodwin et al., 2006). After the Labor Party's defeat, the UK's regime of territorial governance continued to be reformed following the change of the new coalition government under prime minister David Cameron. Since the Conservative-Liberal Democrat coalition's election in 2010, British regional governance structures have been changed with the elimination of regional development agencies, regional leadership committees, and regional integration strategies. Local business and local government agencies replace these units.

2.3 Taking Vietnam as a case study

The goal of the thesis is to take regionalism and regional development policy in Vietnam into consideration from the normative economics point of view. I believe that the thesis would take more different nuances of regional development policy into account with two main analyzed orientations of state space (Brenner, 2004) and state rescaling (Brenner, 2004). Thus the author determines some groups of related questions as below.

Over the past 200 years, Vietnamese history has left a legacy of three major institutions, feudalism, semi-feudal colonialism, and socialism. Due to the scattering and shortages in the collection of prior research, the first part of the study focuses on starting with two related questions:

- How regionalism in Vietnam change over time?
- How regional development policy in Vietnam operate in recent years?

Moreover, there is a flaw in studying Vietnam's territorial structure and how the regional development policy has been applied. Therefore, the first approach put two related questions:

- How is the regional structure in Vietnam changing?
- Is the trajectory of regional development policy in Vietnam suitable for that regional transformation?

Furthermore, there is a deficiency in the theory of globalization, regionalization, and the state's transformation in the globalization context. Therefore, the second approach of the thesis puts two interrelated questions:

- How has multi-scalar regionalism been applied in Vietnam?
- What does Vietnamese state rescale for regional development?

Additionally, most of them are qualitative research, while the quantitative studies on public administration and state's reform are too few. Therefore, the third approach poses two interrelated questions:

- Does the Vietnamese State install its logic on its territory?
- To what extent the regional logic is independent of the state's space in their territories?

Last but not least, there are some literature deficiencies on how to apply international application for regional development policy in Vietnam. Therefore, the fourth approach puts two interrelated questions:

- How European countries adapt to the European Union's regional policy?
- What are the lessons for Vietnam in the new context?

Chapter III: Materials and Methods

3.1 Research materials

In order to answer the supposed research hypotheses, we attempt to use some research materials, including:

- the legal documents of the Vietnamese state on regional development
- the academic paper related to regional development and regional development policy
- the analytical report of some ministries of the Vietnamese state
- the European Union's regional policies
- the analytical reports of how some European countries adapt regional policy
- the academic papers related to the theory of rescaling State in the European Union

The PCI data set

The PCI dataset is an annual survey on the assessment and ranking of the provincial authorities' economic governance quality. It helps to create a favorable business environment for the development of the private sector.

The PCI data set measures economic governance areas that directly affect private sector development and examine the capacities of good performance of every local authority. It includes ten sub-indices: (1) to low entry costs for a business start-up; (2) the extent of access to land and security of business premises; (3) a transparent business environment and equitable business information; (4) informal charges; (5) limited time requirements for bureaucratic procedures and inspections; (6) proactive and creative provincial leadership in solving problems for enterprises; (7) the extent of business support services; (8) labor training policies; (9) fair and efficient legal procedures for dispute resolution and (10) the average of 9 indexes above.

3.2 The research methods

The author divides the research into four main stages. In the first period, the author attempts to focus on the description of the regional structure, regional development policy, and characteristics. Secondly, the literature reviews and some European Union's related issues

in practice have been probed. Some research hypotheses, related qualitative and quantitative methods have been created in the third stage. Last but not least, the author tries to analyze some significant scientific achievements and overall results with some comparisons with the overview of the literature.

3.2.1 The qualitative methods for the research

The thesis attempts to approach state rescaling with periodization approach (Brenner, 2009) where state rescaling is addressed as a process of institutional reorganization to answer the first, second, and fourth hypotheses.

Brenner (2009) believes that “state rescaling could benefit substantially from greater methodological reflexivity at every level of the dialectical spiral, from the abstract to the concrete and back up again.” He creates three research methodologies for state rescaling. Firstly, “logics of explanation” can be understood “in structure terms as the expression or outcome of large-scale political-economic tendencies”, “in strategic terms as a political response to the dislocation, challenges and contradictions induced through those macrostructural tendencies” and “in explanans terms as a trend or condition engendering specific political-economic consequences.”

3.2.2 The quantitative methods for the research

Regarding the quantitative approach for identifying regionalism the author uses a quantitative approach to identify regulatory regionalism, in other words, providing quantitatively extensive empirical evidence about an intra-regional regulatory mechanism, using as locally as possible variables.

To answer the third hypothesis above, we choose the provincial competitive index (PCI) dataset and two statistical methods, including principal component analysis (PCA) and discriminant analysis (DA).

3.3 The place of research

The main place of the research in the thesis is the subnational region. In other words, the author is interested in the regional structure of the country. The author pays attention to the description of the regional structure in Vietnam on the part. The most characteristic trait of the country’s structure is its polarization. Regional development in Vietnam focuses on two large locomotive territorials: Red river delta (RRD) and the Eastern (TE) to promote national economic growth, regardless of internal disparities. Therefore, many projects and programs to develop regions and territorials such as: improving transport and infrastructure as hospitals, schools, highways, and airports are prioritized for these two locomotive territorials.

3.4 The subject of research

The main subject of the research is the analysis of regionalism and regional development policy in Vietnam. In other words, the author pays much attention to state rescaling for regional development and some related issues. The question is how the state makes strategic plans for regional development, how the public authorities implement

regional development policy in Vietnam. At first, the country's structure of regions and policy framework of regional development have been identified. The author tried to focus on describing most transparently how the regional development policy looks like in Vietnam in this part.

3.5 Research hypotheses

There are four hypotheses presented in the essay below.

H1: The characteristics and the structure of regions in Vietnam is evident, the subnational regulatory regionalism in historical perspective is identified; however, the influence of recent subnational development policies on Vietnam is vague

H2: The multi-level regulatory regionalism may be a new orientation for regional development in Vietnam

H3: The state logic has a significant effect on territorial logic and vice versa.

H4: Some references of EU regional policy and regional institution transformation of some European countries bring some significant lessons for Vietnam

Chapter IV: Results

4.1 The analysis of regional structure, regionalism and regional development policy in Vietnam

4.1.1 The rescaling state in Vietnam: a perspective from the history since 1802

It seems that the logic of the state has strongly influenced regionalism and regionalism trajectory in Vietnamese territories. Through 200 years of history, the regionalism trajectory has carried the philosophy of three Vietnamese state models: feudalism, half-French colonialism, and socialist state.

Firstly, the state space trajectory under feudalism in Vietnam since 1802 was similar to other feudalism in Asia. The Nguyen Dynasty had established the centralized public system with the central point of power is title delivery instead of land allocation. Besides, the local organization had been improved in a centralized and unified manner throughout the Nguyen dynasty.

Secondly, the French colonial period's local organization in Vietnam only changed a little because it adds one more administrative level at the highest. Vietnam then has divided into three regions with the central power controlled by the French.

After the French protectorate, Vietnam had continued to step in two civil wars from 1945 to 1975. After the civil wars finished in 1975, Vietnam kicked off a new historical period named socialism.

Thirdly, the local organization in Vietnam in the socialism period has four periods.

The first period is named as agricultural economic management reform. At that moment, Vietnam had to face poverty through the 70-80s decades of the 20th century. The good fortune of Vietnam comes from the start of economic reform, and Doimoi is another name for reforming the agricultural economy, which has given rise to the real impetus of the economy. With favorable natural conditions and diverse crop structure, Vietnam has quickly escaped from poverty and reached to become one of the world's leading agricultural exporters (Pham, 2015b).

The second period is named as the new impetus for regional growth. It had been a further period of change since the Ninth Congress of CPV (2001). The concept of industrialization and modernization is conveyed through new perspectives in the metropolitan and rural areas. The policy of industrialization and modernization of the country in this period is associated with the process of absorbing FDI since 1988. Vietnam is the destination of nearly 15.2 thousand FDI projects (Nguyen, 2013b). Since the Tenth Party Congress (2006), Hanoi has promoted the role of a major economic center of the Tonkin region, building Ho Chi Minh City into a significant commercial and financial center of the Cochinchina region.

The third period is named as restoring the agricultural and rural policy. Facing the wave of global economic crisis from the US and Europe, Vietnam's economy is declining in economic growth and reveals many macroeconomic instabilities such as high inflation, real estate closed state, low purchasing power, etc. (Le, 2015). The period since 2008 recorded the recovery of rural agricultural policy. The starting point for the CPV's Resolution 26/2008 and socio-economic development strategy 2010-2020 on three rural issues is building new rural areas, restructure agriculture, and increasing farmer incomes.

The final period is named as a new orientation in regional development policy. Recently, the role of the territory has become increasingly important. Approaching regionalism and regionalization in the context of globalization is becoming a new trend in the last ten years in most European countries, even in Asian countries like China and Korea. Rodríguez-Pose (2013) believes that one of the essential factors of economic development and growth is institution-building and its dependence on different types of regions. In recent government debates on the application of technology from the 4.0 industry wave, the government has issued the Instruction 16/2017 on strengthening access to the 4.0 technology revolution (Ho, 2017). The central government assigned some cities to build a pilot smart city model, digital agriculture, and tourism.

4.1.2 The analysis of the regional structure of Vietnam

Although Vietnam has a long process of different strategies of types of states, some remarks from different projects of the states and Vietnamese territory still make a clear vision of its structure.

During the process of industrialization and modernization of the country, Vietnam is moving its territory in three main directions. First, Vietnam has tried to shift its economy with

high agriculture rates to the savings with high industrial and service standards. All localities have been intensely aware of the shift from agricultural production to industrial production and mass production. Second, localities' progress is directed towards the development of urban territory separated from rural development. Lastly, the fragmented local structure intended to ensure political security in the beginning.

Some characteristics of Vietnamese territory have been identified below. One of the most prominent problems today is the urban-rural disparity. Urban territory in Vietnam has a bipolar structure with two major metropolitan areas: the Red River Delta and the South East region (Figure 3). Five central-level cities have tried to become the nation's major cities and regional economic and social centers (Huynh, 2016, Nguyen and Nguyen, 2016). The system of rural areas where has been socially exclusive still got stuck behind to follow the economic poles in growth. Some of them could be listed, such as the North-West areas of the North and the Central Highland. Secondly, there are some disparities among regions. Regional disparities are shown in Figure 7 of rural poverty. The two poorest regions in the country are the Northern Mountains region and the Central Highlands.

However, although there are many alignments in the regional division for economic growth, there are many orientations for developing localities in different ways; there is a sharp boundary in the regional division in common perception for regional planning.

4.1.3 The analysis of the regional development institution in Vietnam

It is seen from Figure 10, and Figure 11 above, there is no difference among the state institution at the regional level, but there is a high homogeneity among localism institutions. Both of the figures also point that there is no difference in the management mechanism of the state at the regional level. It does not also make a distinction in the implementation of regional development policy. Moreover, the fragmentation of localities or localism inside each region does drag both the optimization of regional capitals and the foreign capacity of cross-neighbor regions. To sum up, I am convinced that the regional development institution in Vietnam for implementation is vague.

4.2 The analysis of multi-level regionalism in Vietnam in the 21st century

According to a recent approach of Jayasuriya (2009), a conception of 'regulatory regionalism' gradually established the transformation of the social space in individual countries in Asia-Pacific. This mechanism is not only driven by economic and trade integration, but it also governs and coordinates regulations of a broad region such as infectious diseases and money laundering.

The first part of the chapter is some extended development spaces in Vietnam. The first layer of multi-regionalism is China-Greater Mekong Subregion – Vietnam. With the support of ADB, China Yunan's government inclusion created a new structure for the region called Great Mekong Subregion (GMS) in 1992 (Su, 2014, Verbiest, 2013). Along with the GMS cooperation's strategic framework, a range of programs for GMS cooperation on cross-border

transportation, tourism, power trade, and private sector inclusion are issued in detail (ADB, 2011a, ADB, 2011b, ADB, 2011c, ADB, 2012a, ADB, 2012b). The influence of financial governance systems, particularly ADB, provides new patterns of policy experimentation and innovation in multi-level governance (Jayasuriya, 2015). The second layer of the multi-regionalism is ASEAN Regulatory Regionalism. The regional cooperation framework of ASIAN regionalism tends to shift towards a more reliable economic community by 2030, with four principal goals. This structure is the more robust potential institutional framework before with the help of the ADB.

The third part of the chapter is that multi-regionalism is the intra-regional development institution. Modification of alternative framework (Keating, 2013a), a regional development institution in Vietnam is divided into five dimensions including regional articulation, planning, redistribution, allocation, and policy-building. It is shown in multi-scalar dimensions by regions, provinces, and areas to highlight the regional development institutions in Vietnam. The intra-regional articulation has inherited from the war period has a function as regional political security in three central regions: Central Highlands (CHs), mountainous area of the North (MRN) and South West Region (SWR) where always have many hot issues in political issues. As for the planning of regional development, the leading local development planning framework issued in five-year state for five regions including Pivotal Economic Region of the North (PERN), Pivotal Economic Region of the Middle (PERM), Pivotal Economic Region of the South (PERS), Red-River Delta (RRD) and Mekong-River Delta (MRD). At this point, I agree with (Painter)'s view that Vietnam is governed by the fragmented and incoherent institution that makes party-state control and ability weaker. Due to decentralization processes from the central government in investment and the continuous efforts of local government in attracting foreign development investment and organization development assistant capitals, the results are in a status of domestic racing to build 260 industrial zones, and most of all provinces have ones (World Bank, 2016). When all of the provincial governments operate independently in attracting foreign investments, it is also becoming resistant to regional development called Vietnam having 63 "economies," it evenly influences much negatively on the sustainability and stability of the region. Because of the highly decentralized, fragmented, and sometimes incoherent set of state institutions (Painter, 2005), state spatial projects in Vietnam superimposed the existing state institutions to create a matrix of regional development. As a result, the insufficiency of local budget and increasing expenditure at local and central levels are returning and eroding the effectiveness of these national programs in localities.

The third part of the chapter is rescaling state for Vietnam: a new orientation for regional development. 'The key issue is not how the state should territorialize its own administrative and regulatory functions but rather how it should reconfigure the geographies of capital accumulation and socioeconomic activity within its territorial borders'(Brenner, 2004),100). Jayasuriya (2015) also proposes that the national level of re-articulation about transnational and subnational forms of governance is significant to emerging regional

regulatory frameworks. I recommended that this approach becomes an analysis tool for the nation-state to account for its strategy and implement new steps in the more complicated regionalization and globalization context.

According to Su (2014), the network connection and multi-scalar regionalism have created regional development. I am convinced that a good regional mechanism has promoted the effectiveness and efficiency of developing the regional economy. In Figure 14, the new regional government has a central position in foreign economic partnership and internal institution cooperation. Thus, it is my strong belief that the expected system of regional development institutions would promote regional productivity through investment and trade circles and industrial process ones.

The expected system of regional development institution has some opportunities, strengths, threats, and weaknesses as below. Firstly, a new official regionalism as a public authority at the regional level would create some good opportunities to re-articulate multi-scalar regionalization and grow the regional economy (Scott, 2009b). Moreover, it is my belief that there are some strengths established in regional capacities such as the proactiveness in international integration issues, the positiveness in regional innovation policies, and reduction in the number of directly managed units at the local level. However, some negative features in a new expected system of regional development have been identified as follows. Some threats from political factors were to increase the political risks and local autonomy (Scott, 2009b). Besides some others was to erode the unity of the territorial border, the weakness of the state budget system for local authorities should be taken into account.

As the suggestions as concerned, in the short term, the Vietnam government can implement the pilot project for the pivotal economic region, such as PERS or PERN, appoints the leader who has firm political prestige in order to avoid conflicts of interest in regional politics. Besides, the government should consider fiscal mechanisms towards the regional framework to guarantee delivery mechanisms and reduce regional disparities. In the long term, the Vietnamese National Assembly should have more significant progress in constitutional reform such as the authority of regional planning and local public administration by regions; however, these issues need further study.

4.3 The analysis of the interaction between state logic and territorial logic in Vietnam

The chapter on the state space system will provide a multi-dimensional perspective on state and territory systems. Firstly, there are two models in which the results are found. The first assumes that there are some high correlations between groups of independent variables to detect actual policy matters and government issues in reality. The second model finds the patterns of provincial competitive indexes by regions. Finally, I argue some perceptions of the place-based policy and multi-level governance approaches based on the analyzed results.

As for the state system in the prism of the development indicators, the nine original variables divide into four variable groups, two groups include three variables, one next group

contains two variables, and the last team consists of one variable. It means that there are four principal components of the survey's result that can be named as land policy issues, soft-infrastructure support issues, public institutional matters, and entry cost matter. The first principal component includes: the land access and security of tenure ($r = 0.818$), the informal charges ($r = 0.858$) and the proactivity of provincial leadership ($r = 0.681$). This component is concerned with the land policy issue. Land management is a crucial component in the development process, especially in developing countries like Vietnam. The second principal component consists of three original variables: transparency and access to information ($r = 0.769$), business support services ($r = 0.673$), labor and training ($r = 0.645$). This component can be understood as soft-infrastructure supports for the enterprises. The development environment for enterprises is vital for developing countries. The third principal component includes two the original variables: time costs and regulatory compliance ($r = 0.831$), legal institutions ($r = 0.809$). This component can be understood as a public institutional matter. The result means that there is a tight linkage between the justice institution and public administration procedures and the time cost of the enterprises. The last principal component only contains original variable: entry costs ($r = 0.909$). There is a huge difference between entry cost variable compared with other variable groups. It can be explained by new business registration incentives from the central government and a one-stop shop mechanism that effectively implements the country's whole.

As far as identifying state space in the prism of regionalism concerned, after four principal components are recognized above, they are again identified by regionalism. From the table below, there are high identifications in land policy issues in all three regions. The sharp differences in land policy issue's principal component show that regionalism and policy's regionalism can take into account in three regions. , the more sharp difference in identifying land policy issues ($i3 = 119/190$ with others $i2 = 90/190$ and $i1 = 118/248$) in the Cochinchina region or region is coded by 3) is the best cornerstone for trial management of land policy at the regional level at the first phase. According to this result, the plan should be applied to the Cochinchina region (region 3), the Annam region (region 2), and the Tonkin region (region 1), respectively. The regionalism for the second principal component or soft-infrastructure supports for the enterprises is identified by the Tonkin region ($i1 = 127/248$) and the Cochinchina region ($i3 = 93/190$). The Tonkin region and Cochinchina region's emerging difference is identified as the development of the educational system, industrial-supporting system, and the capacity to access information because these areas are two locomotive economic regions with the present of Hanoi and Ho Chi Minh city. The third principal component is public institutional matter. It is similar to the second; it shows the sharp results in the Tonkin region ($i1 = 129/248$) and the Cochinchina region ($i3 = 119/190$). This remarkable point is why the public institutional matter cannot be identified by the Annam region when it is still a principal component in the country.

In terms of identification of six natural regions, the first discriminant function including five indicators: regulatory compliance, easy access to land and security of business premises,

the overall PCI, minimal informal charges, fair and effective legal procedures for dispute resolution; accounts for 58.2% of the between-group variance. The second discriminant function consisting of sound labor training policies explains for 27.6% of the between-group variance. The Wilks's Lambda table shows the significance test of the discriminant function. For the combination of both discriminant function, 1 through 2 Chi-square = 480.079 significant at $p < 0.001$. After the first function is removed, the test of function two reflexes that Chi-square = 216.808 is statistically significant at $p < 0.001$. The model correctly classified 62 observations out of 138 ones as the mountainous region of the north (MRN), Red-river delta region (RRD), 46 observations out of 109 ones as the Red-river Delta, 48 observations out of 140 ones as the coastal region (PERM), 26 identifications out of 50 ones as the Central Highlands region (CHs) and 78 observations out of 130 ones as the Mekong river delta region (MRD).

Regarding the identification of three natural regions, the first discriminant function accounts for 86.6% of the between-group variance, and the second discriminant function explains for 13.4% of the between-group difference. The Wilks's Lambda table shows the significance test of the discriminant function. For the combination of both discriminant function, 1 through 2 Chi-square = 239.542 significant at $p < 0.001$. After the first function is removed, the test of function two reflexes that Chi-square = 36.209 is statistically significant at $p < 0.001$. The model correctly classified 138 observations out of 248 in Tonkin region, 97 identifications out of 190 ones recognized as the Annam region, 130 observations out of 190 ones identified as the Cochinchina region. All of the regulatory regionalism is highly appreciated by geography with the following results: the Tonkin region: 55.6%, the Annam region: 51.1%, and the Cochinchina region: 68.4%.

4.4 The analysis of some lessons from the European Union

It is my belief that there are three perspectives on state logic. Firstly, on economic perception, too many government figures are overlapping, such as urban-rural areas, industrial zones, socioeconomic regions, military-political regions. This overlap is imposed by the centralized role of ministries and the leadership of the Party. The jackfruit-shape model has created many implications for the increased environmental risk, the super-micro economic model, and the lack of industry support infrastructure. In addition, the risk of land ownership and uncertainty in regional planning also added more pressure for enterprises in the short-term circle. Regarding political perception, the more reliable political government mechanisms have been created, thus increasing the number of local governments over time and reducing the size of local administrative areas. Regarding territorial awareness, the state logic is overwhelmed by political assurances; therefore the role of the natural territory is somewhat vague. The territorial development based on the natural structure is less concerned with the pressure from socialist idealism.

I am convinced that there are six determinants for rescaling State for Vietnam. Firstly, territorial structure and natural territories should be taken into account. From the lessons of

Scandinavian countries, the firm national structure can assure the macroeconomy, reduce unemployment, manage the restructuring, and be more in harmony with the environment. Political supports from top-down and from bottom-up are the second most crucial factor. The establishment of cooperation agencies to download and upload the concept of downward policies and bottom-up reform practices will ensure smooth and efficient change processes. Thirdly, organizational learning and instrumental learning are lessons learned in applying EU policies in the corporate group. Fourthly, agglomeration and specialization are essential factors in assessing the development capacity of the territorial structure. Fifthly, ownership and bureaucracies are perceived by Konai's theory should be studied further. Lastly, decentralization transformation should also be reconsidered when arbitrariness or ease in the decentralization changes overshadow the structural reform of the natural territories, thus losing the pressure of rescaling state.

In order to make a more detailed, precise and accurate description of the regional change in the context of globalization and geochemistry, the authors selected four countries, including Hungary, Sweden, Portugal and the United Kingdom, in the five groups as a research example for the specific lessons for Vietnam.

It seems to me that there are some lessons of structural reform from Hungary. Firstly, in the context of the rapid regulatory regionalism of Asia - Pacific, especially Southeast Asia, Vietnam should have prepared to build the capacity of state management strong enough to be adapted to the new demands of globalization and the regulatory regionalism. Secondly, Vietnam needs to have a strong regional development policy like the National Spatial Development Concept (NSDC) of Hungary based on the NUTS2 of the EU. Thirdly, Vietnam needs to restructure the budget system based on NUTS2 to reduce the shortage of funds from local authorities, from widespread investments calls without criteria from the provincial governments at present. Lastly, the most important lesson about the regional development policy in Hungary is that regional and local governance system reform and the public administration reform should be synchronized.

As far as the lessons from Sweden concerned, first, structural transform for job security is one of the more significant economic lessons for Vietnam and many countries in the world. Secondly, the supply-side policy is an option that can be calculated for Vietnam in the context of limited budgetary resources.

It is important to note that Portugal's governance models can provide useful recommendations for policymakers in Vietnam, especially in public financial management. The discretion in the financial and implementing decentralization of the central government created many flaws in state management. The two critical causes of the breakdown in Portugal's economy were wasteful expenditure, keeping the old structural model of the state. Typically, the Portuguese debt crisis of 2008 was the concrete evidence of these problems. The lack of radical central government reform created gaps in the management of cash flow,

thus reducing the efficiency of development responsibilities of central and local public organizations and facilitating breakdown at the national level.

Finally, there are some lessons from the UK's territorial management. Strong decentralization from the UK government creates certain flexibility for individual member states in territorial economic development. The result of this policy also depends on the local government's capacity, and the general result for territorial development is not significant.

Chapter V: Conclusions and recommendations

Over the past 200 years, although the Vietnamese state institution has many changes, the regional structure always creates its visibility in economic development. The study of regionalism and regional development policy could bring some new nuances of sustainable development in Vietnam. It is my belief that it not only promotes the general awareness of policy scholars and makers on some issues of state rescaling and state spatiality in Vietnam but also creates some significant lessons from state-rescaling trajectories of the European Union's territory.

As far as some related hypotheses concerned, I am firmly convinced that there are some significant conclusions as some brief below. First, the characteristics and structure of regions in Vietnam are sharp, the historical perception of regionalism is also clear, but the effectiveness and efficiency of regional development policy is vague. The second significant conclusion is that the multi-level regulatory regionalism in Vietnam can be a new orientation for regional development in Vietnam. The third important conclusion is that the state logic has significant effects on Vietnamese territory logic and vice versa. The fourth conclusion from the list of hypotheses above is that some references of EU regional policy and regional institution transformation of some European countries bring some important lessons for Vietnam.

In conclusion, I reckon that some territorial development policies based on the growth impetus of localism are not suitable for sustainable development in Vietnam. I am firmly convinced that state reform with an orientation of regional development may be an excellent reference to advance some new nuances of the sustainable development in Vietnam in the future.