

Organizations and individuals are allowed to set up business enterprises without limitations on the size and types of operation. Private individuals or collectives are allowed to enter joint ventures with state economic and business organizations or with foreign parties.

Vietnam is in an adjustment phase as it transforms from socialism to a more liberal market system, so even though the constitution reaffirms the position of the Communist Party and state ownership, it does provide stronger and more specific references to private enterprise, private ownership, and land use. It also enshrines the rights of foreign investors and protection against nationalization.

Political Structure

Executive power is exercised by the Council of Ministers under the leadership of the Prime Minister who is responsible to, and must be a member of, the Legislative National Assembly. A small State Council represents the presidency and serves as the permanent office of the National Assembly. Local government is vested in elected provincial, municipal, and District People's Councils, headed by People's Committees.

National Assembly

The National Assembly is the highest legislative body of the government and has 496 members who are elected for five-year terms by constituencies based on provincial and municipal boundaries. The National Assembly is responsible for voting on legislation composed by the Communist Party, the Council of Ministers and organizations such as trade unions, farmer associations, women's organizations and youth unions. The National Assembly meets bi-annually for one week.

State Council

The State Council manages the National Assembly, facilitates the legislative process, and oversees the activities of the People's Councils. It also assumes the functions of the National Assembly when the Assembly is not in session. The State Council has 15 members elected by the National Assembly. Chairing the State Council is the country's president, who is also Head of State.

Council of Ministers

The Council of Ministers is similar to the cabinet in western governments and is elected by, and responsible to, the National Assembly. The Council of Ministers includes the chairman (the Prime Minister), the deputy Prime Ministers, as well as ministers and heads of various State Committees and the State Bank. The Council issues decrees and directives that are legally enforceable.

Communist Party of Vietnam

The Constitution's reaffirmation that the Communist Party is the only leading force in state and society demonstrates the important role it plays in the functioning of the government and day-to-day life.

The Communist Party is represented by the Central Committee at the national level. The committee is elected by periodic congresses that culminate in the National Party Congress held every five years. The Seventh Party Congress was held in 1991.

The Central Committee elects the Political Bureau (Politburo) as its executive body. The members include the party Secretary-General, the President, the Prime Minister and other party leaders. It is the most powerful party institution and maintains the power to issue directives to the government.