

HO CHI MINH NATIONAL ACADEMY OF POLITICS

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**THE ROLE OF THE STATE IN ATTRACTING INVESTMENT
CAPITAL FOR SOCIO-ECONOMIC DEVELOPMENT
(THE CASE OF BAC NINH PROVINCE)**

SUMMARY OF DOCTORAL THESIS

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INTRODUCTION

1. Urgency of the subject

Investment plays a very important role in the socio-economic development of the country as well as the localities. Along with labor, capital is an indispensable production factor for economic activities. Therefore, promoting investment attraction is the key and the leading condition for successful implementation of poverty reduction, economic growth and improvement of people's living standards. However, localities do not always have enough resources for socio-economic development. For each province and city in the country in general and Bac Ninh province in particular, attracting investment capital from different sources is a matter of top concern.

Faced with the scarcity of investment capital and the strict selection of businesses, the optimal way for localities to attract investment attention is for the government to play its role in creating conditions and open environment for businesses to operate and develop.

Recognizing such importance over the years, Bac Ninh province's government has made great efforts to actively attract domestic and foreign investment capital to innovate its growth model and implement its sustainable development strategy, contributing to turning the province from a purely agricultural province into a modern industrial and service province. Thanks to that, Bac Ninh has been very successful in attracting investment capital of enterprises, especially foreign direct investment (FDI).

In order to perform well the role of the government of Bac Ninh province in attracting investment capital, it is necessary to find out the causes of limitations and inadequacies and overcome them thoroughly. To do so, it is necessary to study carefully, comprehensively and seriously the role of the state (first of all, local authorities) in attracting investment capital for socio-economic development in both theory and practice.

In theory, first of all, it is necessary to clearly define the role of the provincial government in attracting investment capital for socio-economic development in the locality. In order to attract investment capital, localities should not only rely on natural comparative advantages but also actively create new comparative advantages (dynamic comparative advantages) in order to promote and fully exploit their potentials effective socio-economic development. It is very important to determine what the provincial local government needs to do to show its role that other actors in the economy can not do, it must be enough to solve the existing problems as well as achieve the set goal. In addition, it is also necessary to clearly define the role of the central state and the provincial government (local state) in attracting investment for local socio-economic development. No matter how active the provincial government is, without the support of the central government, the provincial service sector cannot develop. At the same time, without central state control, attracting investment at the

provincial level could disrupt the country's development planning. What the local government needs to do not only come from subjective desires and aspirations, but more importantly, it must take into account objective conditions affecting socio-economic development in each period; to national and local interests.

In practice, it is necessary to consider to what extent the government of Bac Ninh province has performed its role in improving the business environment and attracting investment capital for socio-economic development between the state and the market; with specific provincial, national and international conditions; How has the relationship between the provincial government and the central government affected the attraction of investment capital to the province? What are the limitations and inadequacies in performing the state's role in attracting investment capital to Bac Ninh province? Answering those questions is the scientific basis for proposing solutions to better perform the state's role in attracting investment capital to Bac Ninh province in the coming period.

In an effort to clarify the above theoretical and practical issues, the PhD student selected the thesis topic: “*The role of the state in attracting investment capital for socio-economic development (the case Bac Ninh province)*”.

2. Purpose and research tasks of the thesis

2.1. Research purposes

Proposing solutions to improve the role of the provincial government in attracting investment capital for socio-economic development in Bac Ninh until 2030 by clarifying the scientific basis of theory and practice, pointing out the limitations, inadequacies and causes in the implementation of the role of local authorities in recent years.

2.2. Research mission

- An overview of published domestic and international research works to determine the issues that need to be applied in the implementation of the thesis, the solved problems that can be inherited and developed.
- Developing a theoretical framework on the role of the provincial state in attracting investment capital for socio-economic development.
- Analyze the current status of the government's role in Bac Ninh province in attracting investment capital for socio-economic development; indicate achievements, limitations, causes of limitations.
- Proposing a system of solutions to better perform the state's role in attracting investment capital for socio-economic development in Bac Ninh province by 2030.

3. Objects and scope of research of the thesis

3.1. Research subjects

The research object of the thesis is the role of the provincial government in attracting investment capital for socio-economic development of the province.

3.2. Research scope of the thesis

3.2.1. Research time range

The thesis is researched in the period 2015 - 2021. Proposed solutions to properly fulfill the role of the state until 2030.

3.2.2. Scope of research space

The study was carried out in Bac Ninh province.

3.2.3. Scope of research content

The thesis focuses on studying the role of the local government at the provincial level in attracting investment capital at the provincial level without delving into the role of the Central State and the district and commune governments. Research contents include: Creation of institutions and environment to attract investment capital; Organize the attraction of investment capital; Solve the relationship of interest in attracting investment capital.

4. Research question of the thesis

In the market mechanism, what role does the provincial local government play in attracting investment capital for socio-economic development in the province? How has the Bac Ninh provincial government performed that role and how should it continue to perform in order to further promote the attraction of investment capital for socio-economic development?

5. Methodology and research methods

5.1. Methodology

The thesis uses dialectical materialism and historical materialism for research.

5.2. Research approach

- Approach from a theoretical perspective on political economy
- Practical approach
- Approach to qualitative research

5.3. Data collection methods

Data sources for the implementation of the thesis were collected from many different sources to achieve the research objectives. The thesis uses both primary and secondary data.

5.4. Methods of processing and analyzing data

5.4.1. Scientific abstraction method

5.4.2. Logical method combined with history

5.4.3. Methods of analysis and synthesis

5.4.4. Statistical and comparative methods

5.4.5. Data processing method

The thesis uses information processing in two directions: (1) Logical processing for qualitative information. It is to make judgments about the nature of events; (2) Mathematical processing of quantitative information.

6. Scientific and practical significance of the thesis

6.1. Scientific significance

The thesis contributes to generalizing and supplementing and clarifying the theory of attracting investment capital at the provincial level, the role of the state in attracting investment capital for socio-economic development at the provincial level. Specifically: Synthesize and build a system of contents showing the role of the state in the locality in attracting investment capital at the provincial level to have a full theoretical framework when previous studies have not shown clearly; Point out the factors affecting the role of the State in attracting investment capital at the provincial level with a system of external and internal factors; Develop criteria to evaluate the effectiveness of the state's role in attracting investment capital at the provincial level according to the content shown.

6.2. Practical significance

The thesis researches investigates and synthesizes reliable domestic practical experiences related to promoting the role of the state (provincial level) in attracting investment capital at the provincial level. In particular, learn the practice in some provinces similar to Bac Ninh to have realistic judgments for the research locality. Analyze the current status of the role of the government of Bac Ninh province in attracting investment capital for socio-economic development in the period of 2015 - 2021. Point out limitations, find out the causes of limitations in the activities of the government of Bac Ninh province. Ninh is related to attracting investment capital for local socio-economic development. Proposing solutions to fulfill the role of the government of Bac Ninh province in order to promote the attraction of investment capital at the provincial level in the coming time.

The research results will be a useful source of information for policy makers, macro management in general, and the process of planning and implementing policies to attract investment capital in Bac Ninh province in particular up to 2030.

7. Structure of the thesis

In addition to the introduction, conclusion, list of references and appendices, the thesis consists of 4 chapters and 10 sections:

Chapter 1: Overview of the research situation related to the topic

Chapter 2: Theoretical and practical basis for the role of the provincial state in attracting investment capital for socio-economic development

Chapter 3: Status of the role of Bac Ninh government in attracting investment capital for socio-economic development

Chapter 4: Perspectives and solutions to promote the role of the state in attracting investment capital for socio-economic development in Bac Ninh province.

Chapter 1

OVERVIEW OF RESEARCH SITUATION RELATED TO THE TOPIC

1.1. RESEARCH WORKS RELATED TO THE TOPIC

1.1.1. Studies on attracting and using investment capital

1.1.2. Studies on the role of the state in socio-economic development in the locality

1.1.3. Studies on the role of the state in attracting investment capital for socio-economic development in the locality

1.1.4. Studies on factors affecting the role of the state in attracting investment capital for socio-economic development in the locality

1.2. OVERVIEW OF THE RESEARCH RESULTS AND OPENING RESEARCH INSTRUCTIONS OF THE THESIS

1.2.1. The scientific values of theory and practice will be inherited by the thesis

Firstly, the research papers have pointed out some basic theoretical issues about attracting investment capital for local socio-economic development from the factors that create the provincial competitiveness of each province. *Second*, the works also present the promotion of attracting investment capital for socio-economic development at the local level at the provincial level according to the capital mobilization approach. *Third*, the level of efficiency in the operation of the provincial government is to ensure a favorable environment for attracting investment capital for socio-economic development in the locality. *Fourth*, many studies have given the idea of the factors affecting the role of the state in attracting investment capital for socio-economic development in the locality as a basis for building a system of solutions to promote business activities. This is in the provinces.

1.2.2. The “gaps” need to be studied in the thesis

Firstly, determining the necessity of the state's role in attracting investment capital for economic development at the provincial level in terms of political economy with the analysis of the advantages and disadvantages of the market. *Secondly*, it is necessary to clarify that the attraction of investment capital for socio-economic development at the provincial level has its own particularities. *Third*, the content of performing the state's role in attracting investment capital for socio-economic development at the provincial level and the criteria for assessing the state's role in this activity have not been clearly defined. *Fourth*, the reality of attracting investment capital in Bac Ninh province and pointing out the need to perform the state's role in attracting investment capital here.

The thesis raises the issue of the state's role in attracting investment capital in Bac Ninh province in the current period with the political economy approach. Thus, it can be affirmed that the doctoral thesis expected to be researched does not overlap with previous research works in terms of content, scope, time and space.

Chapter 2

THEORETICAL AND PRACTICAL BASIS ON THE ROLE OF THE STATE (PROVINCIAL LEVEL) IN ATTRACTING INVESTMENT CAPITAL FOR ECONOMIC - SOCIAL DEVELOPMENT

2.1. THEORETICAL BASIS ON THE STATE ROLE IN ATTRACTING INVESTMENT CAPITAL FOR ECONOMIC - SOCIAL DEVELOPMENT

2.1.1. Some basic concepts

2.1.1.1. *Concept Investment*

Investment is a system of activities of a certain subject that invests capital in a specific form of production and business organization in a specific locality in order to seek benefits greater than the amount of capital spent.

2.1.1.2. *The concept of attracting investment capital for socio-economic development*

Attracting investment capital for socio-economic development is the activities, measures and policies of the local government to promote, call for and create favorable conditions for investors to implement projects. projects towards socio-economic development goals identified in the locality.

2.1.1.3. *The concept of the role of the State in attracting investment capital for socio-economic development at the provincial level*

The role of the state in attracting investment capital for socio-economic development at the provincial level is the intervention of the state (first of all, the provincial government) with legal, economic and administrative tools to promote the Vietnam, overcoming defects of the market economy in order to attract investment capital to achieve socio-economic development goals at the provincial level through creating a favorable investment environment, harmoniously settling and ensuring benefits for all parties. participate in the economy in the province in accordance with the local potential and the country's socio-economic development orientation.

2.1.2 The necessity of the State's role in attracting investment capital for socio-economic development

2.1.2.1. *Due to the objective requirements of socio-economic development*

2.1.2.2. *Due to the inevitable requirements of the state-market relationship*

2.1.2.3. *Due to the requirements of the investor*

2.1.3. Contents of the State's role (provincial level) in attracting investment capital for socio-economic development

2.1.3.1. *Building institutions and creating an environment to attract investment capital*

Building an institution to attract investment capital for socio-economic development is a process that the provincial government applies, guides the public

policy system on the basis of unified regulations of the Government, develops investment planning, concretize policies and viewpoints on attracting investment capital in accordance with local socio-economic conditions in order to create a competitive investment environment, and at the same time regularly control that process to achieve the target. have set. Including: Promulgating documents concretizing laws related to investment; Formulate planning and manage according to planning for attracting investment capital for socio-economic development; To promulgate policies under its authority on attracting investment capital; Create an investment environment.

2.1.3.2. Organize the implementation of attracting investment capital for socio-economic development in the locality

Firstly, organize an appropriate investment attraction management apparatus. *Second*, the local government administers activities to attract investment capital in many aspects: Implement policies to attract investment capital; Improve the investment environment; Check and control investment activities

2.1.3.3. Resolving relationships of interest in activities of attracting investment capital

Local authorities need to pay attention to ensuring the harmonization of interests in attracting investment capital as follows: Ensure the harmonization of interests between the State, the investor and the community; Ensure harmonization of interests between enterprises and employees; Ensure harmonization of interests among investors

2.1.4. Criteria for assessing the role of the state in attracting investment capital for socio-economic development (provincial level)

2.1.4.1. Group of evaluation criteria on institutional creation, investment environment

- Transparency
- Consensus
- High quality service
- Synchronous infrastructure
- Open investment attraction policy
- Quality of local human resources
- Investment promotion capacity

2.1.4.2. Group of evaluation criteria for operating and attracting investment capital

Economic indicators: Total investment capital attraction; The development of investment enterprises; The business efficiency of the enterprise is attracting investment capital; Labor productivity; Effective use of investment capital

Social indicators: Job creation; Labor's income.

Environmental indicators: The impact of enterprises investing in production and business in the locality on the environment.

2.1.4.3. Group of evaluation criteria for harmonious settlement of interest relationships in attracting investment capital

- The interests of the State and the people are guaranteed
- Corporate interests are respected
- The interests of society are protected

2.1.5. Factors affecting the role of the State in attracting investment capital for socio-economic development (provincial level)

2.1.5.1. Group of external factors

Objective factors affecting the attraction of investment capital as well as the performance of the provincial state role in attracting investment capital for socio-economic development include natural conditions, economic conditions- Social and local comparative advantage. Each locality inherits objective factors with different characteristics. These factors make up the basic competitiveness for each locality compared to other localities. From there, the development of strategies and implementation of plans to attract investment capital of different local authorities will be completely different.

2.1.5.2. The group of internal factors

Perspectives and strategies to attract investment capital for socio-economic development of local government

Provincial competitiveness

Quality of apparatus, organizational processes and human resources of relevant agencies

2.2. PRACTICE EXPERIENCE ON THE STATE'S ROLE IN ATTRACTING INVESTMENT CAPITAL FOR ECONOMIC - SOCIAL DEVELOPMENT

2.2.1. Experiences of some provinces in the country

2.2.1.1. Experience of Vinh Phuc province

2.2.1.2. Experience of Thai Nguyen province

2.2.2. Lessons learned for Bac Ninh province

Firstly, change the perception of leaders about attracting investment capital to the province. *Second*, improve the administrative capacity of the provincial government apparatus based on the improvement of evaluation indicators such as PAR, PAPI, PCI... *Third*, reform administrative procedures and improve the investment environment. *Fourth*, develop a high-quality labor market through the implementation of a unified and synchronous human resource development project. *Fifth*, harmonize the relationship of interests between the government, businesses and people.

Chapter 3

THE SITUATION OF THE ROLE OF THE GOVERNMENT OF BAC NINH PROVINCE IN ATTRACTING INVESTMENT CAPITAL FOR ECONOMIC - SOCIAL DEVELOPMENT

3.1. ANALYSIS OF FACTORS AFFECTING THE ROLE OF THE GOVERNMENT OF BAC NINH PROVINCE IN ATTRACTING INVESTMENT CAPITAL FOR ECONOMIC - SOCIAL DEVELOPMENT

3.1.1. External factors

3.1.1.1. *Natural features*

Bac Ninh has many comparative advantages in terms of geographical location with convenient transportation system. Bac Ninh's natural resources are few and outstanding.

3.1.1.2. *Economic conditions*

The rapid economic development of Bac Ninh province, on the other hand, has proven to investors a good business environment. This also has the effect of making it more favorable when the provincial government shows its role in attracting investment capital for the current socio-economic development.

3.1.1.3. *Social conditions*

With the above socio-political conditions, the local government of Bac Ninh province will be easier to play its role when attracting investment capital to the locality because of its prestige as well as building trust for both people and businesses during the past time.

3.1.2. Inner factors

3.1.2.1. *Perspectives and strategies to attract investment capital for socio-economic development of Bac Ninh province*

Bac Ninh Provincial People's Committee has made a very clear view of attracting investment capital for socio-economic development. The viewpoints and strategies to attract investment capital of Bac Ninh province have created favorable factors to help the province be in the top 7 out of 63 provinces with the largest FDI attraction. The province's new business development index in the 2016-2020 period is 127.1%.

3.1.2.2. *Provincial competitiveness*

In recent years, Bac Ninh province has implemented activities on promotion to attract foreign investment quite effectively. The business and investment environment is always improved in the direction of being open, transparent and attractive to investors.

3.1.2.3. *The team of cadres and civil servants to manage the province's investment attraction*

In recent years, Bac Ninh province has always paid attention to the contingent of civil servants to improve the quality and efficiency of state management in attracting investment capital in order to promote socio-economic development.

3.2. ANALYSIS OF THE SITUATION OF THE ROLE OF BAC NINH PROVINCIAL GOVERNMENT IN ATTRACTING INVESTMENT CAPITAL FOR ECONOMIC - SOCIAL DEVELOPMENT

3.2.1. Building institutions and creating an investment environment

3.2.1.1. Formulate and finalize legal documents on attracting investment capital for socio-economic development

The government of Bac Ninh province has developed a specific document system as a basis for attracting investment capital for socio-economic development, focusing on priority sectors as well as slow-growing industries such as agriculture and rural areas. business, tourism...

3.2.1.2. Formulate planning and manage according to planning to attract investment capital for socio-economic development

In the 2016-2020 period, special attention is paid to planning work, such as: construction planning in Bac Ninh province to 2035, vision to 2050; Development planning of industrial zones in Bac Ninh province; Planning industrial clusters in Bac Ninh province to 2020, vision to 2030;... Planning and policy on establishing hi-tech parks in the province; Master plan on development of service sector in Bac Ninh province to 2020, vision to 2030; Master plan on development of supporting industries in Bac Ninh province to 2020, vision to 2030; Trade development planning of Bac Ninh province to 2020, vision to 2030; Industrial development planning of Bac Ninh province for the period 2011-2020, vision to 2030...

3.2.1.3. Reform administrative procedures and improve the efficiency of state management

In the period 2014-2021, administrative procedure reform has been actively implemented. Public administration centers in districts, towns and cities have also been put into use. The online public service portal integrated with the shared electronic one-stop system throughout Bac Ninh province was opened and put into use. The system of integration and interconnection with the central systems includes: national tourism policy on administrative procedures; In addition, a number of innovative models are also introduced. Bac Ninh is drastically promoting administrative reform, improving the investment environment, strengthening administrative discipline and discipline in the direction of support and service, building a constructive and serving government.

3.2.1.4. Building infrastructure

Regarding transport infrastructure: Currently, Bac Ninh has a diversified transportation system, including roads, railways and rivers. Bac Ninh has focused on investing in synchronous transport infrastructure, expanding inner city roads and completing the external transport system.

Regarding infrastructure of industrial zones and clusters: Currently, Bac Ninh province has 16 concentrated industrial zones and 29 industrial clusters.

In terms of postal, telecommunications and information technology infrastructure: implementing smart city component projects with 06 core areas. The province has invested in and effectively used a specialized data transmission network system, surveillance camera system and free Wifi system in Bac Ninh city, technical infrastructure system according to international standards. of the Smart City Data Center.

Regarding energy infrastructure: Bac Ninh's electricity output for daily life and production has risen to second in the North (after Hanoi).

Regarding digital infrastructure: although the People's Committee of Bac Ninh province has tried to build a good technical infrastructure, the ability to apply information technology to digital transformation is still quite weak.

Regarding social infrastructure: pretty well done

About financial infrastructure: The banking industry in Bac Ninh is also very developed, playing a vital role in the province's economy. Currently, Bac Ninh is the province with the highest density of banks in the country, second only to central cities.

3.2.1.5. Improve the quality of human resources

Results for the period of 2014-2018, “there were 158,488 vocational training graduates; 17,355 people receive vocational training support”, of which 75% have jobs after training, basically meeting the human resources of domestic enterprises and foreign-invested enterprises. Every year, the training and retraining work is interested and directed by the Provincial People's Committee; which focuses on training and fostering a contingent of cadres, civil servants and public employees in order to improve state management capacity, professional qualifications and political theory.

3.2.2. Executive organization to attract investment capital

3.2.2.1. Organize the management apparatus to attract investment capital

In the decentralization of management to attract investment capital of Bac Ninh province, the Department of Planning and Investment of Bac Ninh province is a specialized agency under the Provincial People's Committee performing the function of advising and assisting the Provincial People's Committee in state management of planning, planing and Investment. In industrial zones and clusters, there will be Management Boards.

3.2.2.2. Investment promotion

Firstly, develop a document system to serve the investment promotion in the province. *Second*, implement “introduction, propaganda and promotion of the image and investment environment” of Bac Ninh province. *Third*, promote the building of "supportive relationships in investment promotion". *Fourth*, focus on improving the capacity and qualifications for public officials to do investment promotion in the province. With active activities in investment promotion, domestic and foreign investment projects in Bac Ninh province in the period of 2015 - 2020 have a strong

increase despite many assessments of competitive competence in attracting investment capital. The province's investment has not yet fully met the requirements of investors.

3.2.2.3. Business support

Firstly, the project on reforming administrative procedures and implementing the OSS (One-stop-shop) mechanism in investment licensing has been carried out quite thoroughly. *Second*, support to provide high-quality human resources for investment enterprises. *Third*, build mass organizations to create mutual support networks between enterprises as well as between state management agencies and enterprises.

3.2.2.4. Check and supervise investment capital attraction

The Department of Planning and Investment of Bac Ninh province is responsible for presiding over the verification of domestic and foreign capital investment projects. The Department of Planning and Investment, the Management Board of the Provincial Industrial Parks, the Provincial Inspector have closely coordinated with the departments, branches and agencies in the area in supervising the implementation of the Investor's Project. in accordance with regulations. The Management Board of Bac Ninh Industrial Parks regularly reviews and grasps the actual operation of the Industrial Zones, promptly coordinates with relevant units to remove difficulties and obstacles of enterprises to restore production.

3.2.3. Resolving relationships of interest in activities of attracting investment capital

3.2.3.1. The relationship of interests between the State, the investor and the residential community

The Provincial People's Committee has implemented many supporting policies, ensuring benefits for investors and businesses. In addition to supporting and ensuring the interests of businesses operating in the area, the Tax Department of Bac Ninh province also gradually established a strict control process, requiring businesses to fulfill their tax obligations to the State. water. The People's Committee of Bac Ninh province can harmonize the relationship of interests between people and businesses when clearing land and providing premises. On the contrary, businesses operating in Bac Ninh province are also encouraged to develop society, bringing benefits to the residential community.

By means of propaganda, inspection, control and administrative fines for the activities of enterprises that cause environmental pollution, the behavior of enterprises and people is also adjusted. Bac Ninh province always cares and creates conditions for businesses to stabilize production, but must strictly comply with the provisions of the law on environmental protection.

3.2.3.2. The beneficial relationship between enterprises and employees

The Bac Ninh Provincial Confederation of Labor has actively developed the Project “Development of industrial relations for the period of 2021 - 2025” with the goal of setting out specific tasks and solutions in building harmonious labor relations, stable and progressive. The Provincial People's Committee also builds and strengthens the contingent of labor conciliators to thoroughly settle labor disputes and support the development of labor relations in the locality. Bac Ninh provincial government also implements many policies to support workers.

3.2.3.3. Relationships between investors

In the past time, there is still discrimination by the government of Bac Ninh province in the private enterprise sector. The Provincial People's Committee has given more priorities and incentives to attract foreign investment than domestic private enterprises, but the equality has been gradually improved.

3.3. ASSESSMENT OF THE ROLE OF BAC NINH PROVINCIAL GOVERNMENT IN ATTRACTING INVESTMENT CAPITAL FOR ECONOMIC - SOCIAL DEVELOPMENT

3.3.1. Evaluation of results achieved on promoting the role of the government of Bac Ninh province in attracting investment capital for socio-economic development

3.3.1.1. Assessment of institutional creation, investment environment

Evaluation of transparency in institutional creation, investment environment of managers in State agencies and enterprises shows that Bac Ninh Provincial People's Committee is now interested in publicizing investment management information, helping businesses easily access information as well as receive full instructions on administrative procedures. Consensus in creating an investment environment is rated at medium level. The overall assessment of service quality is only good. Technical infrastructure of Bac Ninh province is highly appreciated for its uniformity and accessibility. The province's human resources are not appreciated even though the Provincial People's Committee has implemented human resource development policies quite effectively. The investment promotion capacity of the Bac Ninh provincial government is positively evaluated. The investment attraction policies of Bac Ninh Provincial People's Committee have brought encouraging results.

3.3.1.2. Evaluation of the operating organization to attract investment capital

Scale and structure of investment capital attraction in Bac Ninh province: The number of domestic investment projects in Bac Ninh province during the time of being affected by Covid 19 has tended to decrease, but in general, has remained stable. The change in investment capital structure shows that the ability to attract FDI into Bac Ninh province has decreased, but it also shows that the internal capital of the province has gradually increased. Bac Ninh province is not only interested in FDI

capital, but domestic capital is also very focused to avoid too much dependence on foreign countries.

Development situation of investment enterprises: There is a large difference between the number of operating enterprises with business results and the number of operating enterprises in Bac Ninh province in the period of 2017 - 2020. The density of operating enterprises is over 1000. Bac Ninh province's population increases every year.

Operational efficiency of enterprises: The operational efficiency of enterprises in Bac Ninh province tends to decrease in the period 2017 -2020.

Labor productivity of enterprises: Labor productivity of the province has increased continuously during the past time with a marked increase.

The efficiency of investment capital: ICOR coefficient of efficiency of investment capital in Bac Ninh province is quite good and tends to decrease in the period 2017 - 2020. In the state-invested capital sector, the index is ICOR tends to increase, showing decreasing investment efficiency. Foreign investment enterprises in Bac Ninh province have very high capital efficiency. Investment efficiency in the agricultural industry is very high. Investment efficiency in industry and construction also tends to increase. Investment efficiency in the service industry fluctuates the most.

Creating jobs and labor income: Non-state-owned enterprises and foreign investment have contributed to creating jobs and changing the structure of local labor.

Solving environmental problems: Basically, secondary enterprises have invested in a preliminary wastewater treatment system that meets the discharge standards of the industrial park. However, there are still some businesses that have not strictly complied with the provisions of the law on environmental protection. Environmental problems in industrial clusters are very alarming.

3.3.1.3. Assessment of harmonious settlement of interest relationships in attracting investment capital

The People's Committee of Bac Ninh province has policies to ensure the interests of enterprises, creating good conditions for them to have favorable production and business, but it has not yet ensured the strict management of the obligations of enterprises. Tax evasion and tax debt in the province are still large.

In summary, the role of the government of Bac Ninh province in attracting Investment has been shown in the positive impacts on socio-economic development, specifically as follows:

First, change the labor structure; create jobs and increase incomes for workers; develop human resources for the locality. *Second*, attractive investment capital has contributed to urban infrastructure development. *Third*, attractive investment capital has contributed to the implementation of social security policies. *Fourth*, promote administrative reform, improve the investment environment, and improve the

competitiveness of the economy. Fifth, promote new value formation, change corporate culture, labor discipline and build local image.

The reasons for the above successes are due to:

Firstly, the perception of the Bac Ninh provincial government on attracting investment capital for socio-economic development is quite consistent with the current context. *Second*, the provincial government has taken a very modern approach when quickly applying information technology. *Third*, encourage the application of innovative models in the management of investment attraction. *Fourth*, the provincial government has paid attention to developing a synchronous and modern infrastructure system as well as improving the quality of human resources.

3.3.2. Limitations and reasons for the role of the government of Bac Ninh province in attracting investment capital for socio-economic development

3.3.2.1. Main limitations

Firstly, the capacity of local authorities in political stability, confidence building, and safety for investors still needs to be improved. *Second*, the investment climate is still undervalued in several respects. *Third*, development plans are still lacking in detail. *Fourth*, resources for business development have not been given due attention. *Fifth*, international, regional and local cooperation has not been promoted. *Sixth*, the inspection and examination to attract investment capital is still limited.

3.3.2.2. The cause of the limitations

Objective reasons

In 2019-2021, the economy suffered many adverse impacts from the world market and the negative effects of the Covid-19 pandemic. Although there have been efforts in infrastructure development, this field has not developed in time with the high growth rate of the economy and in general is still weak compared to other provinces in the region such as Hanoi, Hai Phong, etc. Room, Hai Duong... The advantage of abundant young labor force has not been fully promoted because the training has not met the requirements. Competition to attract foreign direct investment capital continues to become increasingly fierce and fierce among provinces, regions and throughout the country.

Subjective reasons

Although the investment environment of the province has improved, the breakthrough progress has been slow compared to other provinces. Site clearance work is slow in some places. Investment promotion is not diversified in form. The number of cadres in charge of state management of foreign direct investment is still thin, especially those in charge of mobilizing and promoting the province's foreign investment attraction. The inspection work has not been strictly implemented, so it is slow to resolve the issues of disputes and strikes.

Chapter 4

POINTS AND SOLUTIONS FOR CONTINUING TO PROMOTE THE ROLE OF BAC NINH PROVINCIAL GOVERNMENT IN INVESTMENT CAPITAL ATTRACTION FOR SOCIAL - ECONOMIC DEVELOPMENT

4.1. NEW CONTEXT, OBJECTIVES, DIRECTIONS RELATED TO ATTRACTING INVESTMENT CAPITAL FOR SOCIAL-ECONOMIC DEVELOPMENT IN BAC NINH PROVIN

4.1.1. International context

4.1.1.1. Globalization and international economic integration

4.1.1.2. Trends of global investment flows

4.1.1.3. The outbreak of the fourth industrial revolution (4.0)

4.1.1.4. Covid-19 pandemic, Russia-Ukraine conflict

4.1.2. Domestic scene

4.1.2.1. The Government's policy of increasing investment attraction

4.1.2.2. Socio-economic growth

4.1.3. Advantages and disadvantages in attracting investment capital for socio-economic development in Bac Ninh province

4.1.3.1. Opportunities and favorable conditions

Bac Ninh has full potential and favorable conditions to attract investment capital:

Firstly, Bac Ninh has a geographical location with many geo-economic factors that are very convenient for socio-economic development and exchange and connection with key economic regions of Vietnam as well as the region and the world. *Secondly*, Bac Ninh is a province where political security and social order and safety are always maintained and stable. *Third*, Bac Ninh is a province with a high concentration of human resources with a high level of education and skills. *Fourth*, the People's Committee of Bac Ninh province is very interested in reforming administrative procedures to facilitate and quickly for investors. *Fifth*, at present, Bac Ninh has planned and invested in building 15 industrial zones on the basis of a fairly synchronous infrastructure. *Sixth*, Bac Ninh has built a fairly complete service system.

4.1.3.2. Challenge

Firstly, businesses face difficulties due to the impact of the world economic crisis caused by the Covid-19 pandemic from 2020 which lasts for many years. *Secondly*, the domestic economic situation in recent years also has many difficulties and challenges. *Third*, Bac Ninh also faces stiff competition from other provinces and localities in attracting investment capital. *Fourth*, due to its geographical location

near “big economic centers that develop dynamically and strongly such as Hanoi capital, Hai Phong city and Quang Ninh”, Bac Ninh will become small and difficult to compete with. in calling for investment capital, searching for markets. *Fifth*, although the province's human resources have undergone vocational training, there is still a shortage of highly qualified workers. *Sixth*, “social infrastructure works have not fully met the needs of people”, businesses and employees when the number of businesses investing in is increasing. *Seventh*, environmental issues and environmental pollution treatment are also one of the big challenges for attracting investment capital in the coming time.

4.1.4. Socio-economic development goals of Bac Ninh province

The province will make efforts to effectively exploit new potentials and opportunities; promote innovation and administrative reform; strengthening the management of social development, creating changes in all fields; continue to attract and develop high-tech industry, commerce, services, hi-tech agriculture, urban agriculture, information technology application, urban development, comprehensive socio-cultural development society, protect the environment, and improve people's living standards.

4.1.5. Orientations and objectives to promote investment attraction for socio-economic development in Bac Ninh province to 2030

4.1.5.1. Ways to attract investment capital

Firstly, focus on attracting investment capital in priority sectors and fields. *Second*, choose an investment partner. *Third*, planning the area to attract investment capital. *Fourth*, attract investment in technology.

4.1.5.2. Objectives to attract investment capital

Firstly, to improve people's living standards, which is directly reflected in the income level of workers. *Second*, rationally distribute investment resources among regions. *Third*, create high added value, increase budget revenue, create more jobs for employees. *Fourth*, environmental protection for the province. *Fifth*, create a positive spillover effect on socio-economic development. *Sixth*, to ensure the consolidation and maintenance of national defense and security and social order and safety. *Seventh*, investors' commitment is required in actively participating in solving social problems.

4.2. VIEWPOINTS TO PROMOTE THE ROLE OF THE GOVERNMENT IN ATTRACTING INVESTMENT CAPITAL FOR ECONOMIC - SOCIAL DEVELOPMENT IN BAC NINH PROVINCE

Firstly, consistently affirming that the private sector and the foreign-invested sector are always an important part of the province's economy. *Second*, perfecting institutions according to provincial-level powers related to investment. *Third*, special

priority is given to attracting investment capital in high, advanced and environmentally friendly industries and fields. *Fourth*, focus on attracting FDI, especially multinational corporations associated with domestic enterprises to form and develop industry clusters according to each value chain. *Fifth*, the provincial government focuses on harmonizing the relationship of interests in attracting investment capital.

4.3. SOLUTIONS TO CONTINUE TO PROVIDE THE ROLE OF PROVINCIAL GOVERNMENT IN ATTRACTING INVESTMENT CAPITAL IN BAC NINH PROVINCE

4.3.1. Improve the capacity of local governments in political stability, building confidence and safety for investors

Regularly hold meetings with leaders of government management agencies to understand specifically the views of the whole province on the role of investment enterprises. Periodically, it is necessary to organize seminars and evaluations. efficiency, the contribution of investment enterprises (domestic and foreign) to the economy of the province. In addition to propaganda measures, it is also necessary to have strong sanctions and strictly handle troublesome behaviors of leaders or groups of citizens towards the activities of businesses, creating unsafe psychology. in investors.

4.3.2. Improve institutions and investment environment and strengthen investment promotion activities

4.3.2.1. Renovate and perfect the system of policies to attract investment capital

Policy on land and production premises: The Provincial People's Committee needs to review and continue to make statistics, resolutely recover the land that is fallow and used for improper purposes to expand the land fund for lease to enterprises; There are solutions to promote the exchange of land, compensation and planning to complete or build more clusters and industrial zones to bring businesses to operate centrally and easily for management; Flexible application of financial mechanisms on land.

Science and technology policy: First, Bac Ninh needs to issue preferential policies for businesses associated with the advanced level of technology, the level of R&D investment of the project and the rate of use. domestic workers in R&D activities. Second, encourage FDI enterprises to invest in joint ventures with Vietnamese enterprises or open R&D centers in Vietnam. Third, build a mechanism to support enterprises in finding information and recruiting good scientists, as well as a mechanism to encourage enterprises to invest in R&D activities. Fourth, the government of Bac Ninh province needs to implement innovation connection programs with the Ministry of Science and Technology in order to exploit

information sources, scientific patents, research results of research projects. ... implement bridges and links between enterprises and research units, domestic and foreign universities in order to share and disseminate scientific and technical achievements. Finally, the Government of Bac Bac province Ninh needs to put businesses to pursue innovation and application of R&D results

Financial incentives: The Government's financial incentives to attract investment businesses focus on 3 areas that Bac Ninh province needs to pay attention to and implement immediately: Incentives on corporate income tax Karma; Preferential import and export tax; Land financing incentives.

4.3.2.2. Administrative reform in order to attract and effectively use capital for socio-economic development

Firstly, cutting down the time to handle administrative procedures of agencies, units and localities according to the newly issued Ministry of Administrative Procedures. *Secondly*, it is necessary to quickly update information on issues such as investment incentives of the province, licensing procedures, incentives to attract industrial clusters, etc. on the official information pages of the provinces. provincial authorities. *Third*, continue to simplify investment and construction procedures and accelerate the improvement of the business investment environment. *Fourth*, Bac Ninh needs to use tax, fee and public expenditure tools to regulate and orient production for businesses in the province.

4.3.2.3. Further improve provincial competitiveness

Firstly, continue the propaganda work on the significance of the PCI index in socio-economic development. Second, assign and attach responsibility of the head in implementing measures to maintain and improve competitiveness. Third, promote reform initiatives at departmental, sectoral and district levels.

4.3.2.4. Strengthen and improve the quality of investment promotion

First of all, it is necessary to thoroughly grasp and raise awareness about the importance of investment promotion in attracting foreign direct investment capital. *Second*, make a list of projects calling for investment, make a list of partners to mobilize investment. *Third*, it is necessary to speed up the process of consolidating the investment promotion organization system in the direction of increasing the number of staff engaged in investment promotion both in quantity and in quality. *Fourth*, actively organize investment promotion conferences in the province. *Fifth*, it is necessary to focus on investing resources to develop a system that provides information to investors, which is the foreign investment information page and investment promotion documents, it is necessary to strengthen the updating of

information. This is in several languages, meeting the needs of the majority of investors. *Sixth*, strengthen market research and investment partners.

4.3.3. Completing, formulating and supplementing economic development and investment capital attraction planning

4.3.3.1. Renovating the planning of socio-economic development and investment

Renovate the formulation of socio-economic development planning and plans. Strengthen the management and implementation of planning. Formulate and publicize development plannings of sectors, economic zones, land use planning, urban development planning, detailed planning of industrial zones, industrial clusters, residential areas and urban areas To actively attract investment capital. Implement and implement according to the planning, attract investment projects focusing on industrial zones and industrial clusters according to the planning, limit investment projects outside the industrial zones which are far away from the area. residential...

4.3.3.2. Attracting investment capital selectively

Firstly, projects with medium or higher technology, low level of infrastructure, the province needs to solve a large number of new jobs for workers will be concentrated on income. absorbing into difficult areas. *Second*, diversify investment forms to mobilize and increase the proportion of FDI and private capital in infrastructure development. *Third*, focus on attracting large, high-tech projects, projects in the fields of information technology, electronics, and microelectronics to industrial parks and information technology zones located in regulated areas favorable conditions in terms of infrastructure and human resources. *Fourth*, in attracting investment capital, besides the economic efficiency that the project brings, it is also necessary to pay attention to the long-term environmental impact. *Fifth*, focus on attracting investment capital by supporting policies in particularly encouraging fields (such as infrastructure development or high-tech industries) and use measures to limit investment with industry is not recommended.

4.3.4. Develop resources for business development

4.3.4.1. Improve the capacity and qualifications of employees

Firstly, Bac Ninh needs to continue to invest and upgrade vocational training institutions in the province, linking theoretical training with practice at enterprises to meet the practical requirements of enterprises in recruitment. labor. *Secondly*, grasp the labor situation at enterprises, actively advise the Provincial People's Committee to issue vocational training plans, introduce jobs for workers to enterprises after the training process. *Third*, actively coordinate with local authorities to organize job exchanges and job service centers to introduce job opportunities as well as grasp the

needs and skills of workers. *Fourthly*, strengthen the state management of investment activities after licensing, synchronously coordinate with inter-sectoral agencies in strengthening the inspection and supervision of legal provisions on investment activities. issues of recruitment and employment, labor regime and employee welfare. *Fifth*, it is necessary to have policies to attract and retain a high-quality workforce. *Finally*, provincial and local governments need to focus on improving the quality of tripartite coordination mechanisms in labor relations, directing enterprises to sign collective labor agreements.

4.3.4.2. Accelerate the construction of infrastructure for business economic development

Firstly, in the coming time, the province needs to focus on continuing to perfect and synchronously develop the technical infrastructure system in existing and approved industrial zones. *Second*, ensure stable power and water sources for production. *Third*, it is necessary to speed up the progress of site clearance compensation and land handover to investors. *Fourth*, focus and mobilize capital for the improvement of the transportation system. *Fifth*, continue to develop and complete plannings, especially land use planning. *Sixth*, improve the ability to meet housing needs for workers.

4.3.4.3. Supporting industry development

Applying the support policy of the Central Government in attracting investment capital in supporting industries has been issued, creating more attractiveness for the investment environment in supporting industries in the province. For enterprises that have invested, create favorable legal conditions for enterprises to exploit at full capacity and expand more factories producing raw materials and auxiliary materials to link product chains in industrial production lines in Vietnam. industrial zones and clusters. Set up a data bank and statistics on supporting industry manufacturers to inform businesses where to supply raw materials, components, and equipment for localization in the country through the Ministry's website. sectors, localities... to create bridges and links domestic and foreign investment enterprises. Formulate policies to gradually increase the localization rate of domestic goods; Create a value chain.

4.3.4.4. Complete related services

Develop business support programs. Financial market development. Complete telecommunications services. Improve policy logistics service capacity. Strengthen the entire leadership and direction of fire prevention and fighting work at the facility, proactively implement and solve problems of ensuring fire safety in industrial zones.

Paying attention to attracting investment capital, developing product quality inspection services, legal - economic - technical consulting services, security services to improve the environment of business support services.

4.3.5. Strengthen international, regional and local cooperation in order to attract investment capital for economic development

4.3.5.1. Implement linkages between Bac Ninh market and other local markets in the country

Encourage businesses in Bac Ninh to organize market research and trade promotion activities with key markets. The study provides preferential conditions for localities that have commercial linkages with Bac Ninh province. Conduct exchanges and sign provincial-level agreements between Bac Ninh and other localities on the purchase and sale of products and goods. Bac Ninh should pay attention to issues of interests and conditions of association, according to the principle of “reciprocity”.

4.3.5.2. Strengthening international and regional cooperation

- Bac Ninh province needs to be proactive in creating bilateral and multilateral linkages with different levels and forms. Appropriately apply the conditions of Bac Ninh, find the fastest way to access foreign markets, from there, directly or through large import-export businesses to conduct commercial transactions. There are policies and regimes to adequately encourage brokerage activities and assist in accessing new markets.

4.3.6. Completing the inspection and examination of the performance of the state's role in attracting investment capital

4.3.6.1. Improve the quality of verification and appraisal of investment license applications

Firstly, the suitability of the investment field to the system of local planning, regional planning, industry development planning... *Second*, the investor's capacity profile: including business capacity experience and financial capacity. *Third*, the system of technical standards of the project, the technology of the project ensures that the system of technical standards of the project must be equal to or higher than the system of technical standards of Vietnam, the technology used in the project must be advanced and environmentally friendly technology. *Fourth*, evaluate the benefits brought when allowing the project to be implemented. *Fifth*, forecast the economic efficiency of an investment project: the benefits that investors get through the project implementation. *Sixth*, forecast the possibility of negative impacts of investment projects on local socio-economic aspects: impacts on environment, culture, security and order...

4.3.6.2. Strengthening project management after investment licensing

Firstly, closely monitor and monitor the Investor's implementation of the Project according to the Project Implementation Agreement. *Second*, closely monitor compliance with the provisions of the Investment Certificate on capital mobilization and disbursement. *Third*, regularly monitor and supervise to prevent the risk of disputes. *Fourth*, strengthen measures to support investors to remove difficulties and obstacles in the process of project implementation. *Fifth*, strengthen and correct the inspection, examination, handling of violations and prevention and control of environmental pollution.

4.3.6.3. Strengthen supervision, inspection and inspection against transfer pricing and tax fraud of foreign-invested enterprises

To step up the inspection to drastically implement anti-transfer pricing measures. Refuse to expand and invest more if enterprises do not contribute tax in the course of business or contribute too little to the state, enterprises often declare inefficient business to evade taxes. Strengthen the transmission of tax laws, information related to businesses, support businesses, data on taxpayers, collect information and evidence. It is necessary to improve the capacity of analyzing tax questions and risks at enterprises.

4.4. RECOMMENDATIONS TO CENTRAL GOVERNMENTS

Firstly, completing the legal corridor related to investment.

Secondly, soon arrange the budget so that Bac Ninh province can implement projects to complete and modernize infrastructure and industrial parks to attract more investment capital. In addition, the unification of financial policies encourages enterprises to make breakthroughs in applying scientific and technical advances to create products of high economic value and brand names.

CONCLUSION

Attracting scarce investment capital is difficult, the selection and implementation of investment projects in the locality is even more complicated. Only local authorities, with the function of State management of the economy, can create favorable conditions for investors, ensuring the harmony of interests of stakeholders for the sake of economic development. - Social of the ward. However, the role of the state in attracting investment capital for socio-economic development in the locality has not yet been studied systematically and comprehensively.

On the basis of using a combination of research methods with theoretical and practical bases, the thesis has completed the research tasks and achieved the following objectives:

- In theory, starting from the scarcity of capital and the goal of socio-economic development, the thesis has built a separate theoretical framework on the role of the state in attracting investment capital in the locality. With that in mind, concepts and details about the role of local governments in attracting investment capital, and criteria for assessing the state's role in attracting investment capital for socio-economic development at the local level. provinces are synthesized and built. This is a theoretical basis for researchers to rely on to analyze the specific situation of any province in the country. In addition, the thesis also points out the factors affecting the role of provincial government in attracting investment capital for socio-economic development.

- In practice, the thesis researches the actual situation of attracting investment capital of Bac Ninh province as a result of the process of implementing the role of the provincial government in attracting investment capital. The status of the role of the government of Bac Ninh province in attracting investment capital for socio-economic development is reflected in such aspects as: building institutions to attract investment capital, building an investment environment, organizing organization. management apparatus, organization and administration of activities to attract investment capital. From there, the thesis makes assessments on the role of Bac Ninh provincial government in attracting investment capital in both successes and limitations.

- In order to attract investment capital effectively, local governments must promote their role, but first of all, from the right perspectives and directions. On that basis, the system of solutions to continue promoting the role of the state in attracting investment capital in Bac Ninh province is proposed to be unified. These are: Improving the capacity of local authorities in political stability, building trust and safety for investors; Improve institutions and investment environment and strengthen investment promotion activities; Completing, building and supplementing the planning for economic development and attracting investment capital; Developing resources for business development; Strengthen international, regional and local cooperation in order to attract investment capital for economic development; Completing the inspection and examination of the performance of the state's role in attracting investment capital.

LIST OF AUTHORIZED WORKS PUBLISHED RELATED TO THE THESIS

1. Nguyen Thanh Binh (2021), “Impact of Bacninh provincial government role on investment decisions of business”, *Journal of finance & accounting research* No. 04 (12).
2. Nguyen Thanh Binh (2022), “Improving investment attraction for economic and social development in Bac Ninh province” (Strengthening investment capital attraction for socio-economic development in Bac Ninh province), *Journal of finance & accounting research* , No. 04 (17).
3. Nguyen Thanh Binh (2022), “The role of creating the investment environment of the government of Bac Ninh province”, *Journal of Financial - Accounting Research*, No. 09 (230).