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Improving the Provincial Competitiveness Index in Yen Bai Province

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Abstract

Improving the provincial competitiveness index (PCI) is the basis for sectors and levels to develop and implement specific plans and solutions in each field of state management to improve the quality of economic and social management of the province, especially the unification from awareness to action of sectors and levels and enhancing the

role and responsibility of the heads of agencies and units towards the goal of overcoming bottlenecks, promoting strengths, and striving to turn Yen Bai into a locality with a good business investment environment and an attractive destination for domestic and foreign investors.

Keywords: Provincial Competitiveness index (PCI), Yen Bai

1. Introduction

Since the beginning of the year, Yen Bai province has had 248 newly established enterprises and 75 cooperatives, bringing the total number of enterprises and cooperatives in the province to 3,173 enterprises and 715 cooperatives. The province currently has 616 projects that have been granted investment policy decisions and investment registration certificates, with a total registered investment capital of over VND 88,000 billion and USD 506 million. In addition to the achieved results, there are still many difficulties, such as the fact that most domestic investment projects are small in scale and that the speed of improving the business environment has slowed down compared to the previous period. In the period of 2017–2020, Yen Bai province has made great efforts to improve its component indices, bringing the province's competitiveness index from 46th to 33rd/63 provinces and cities. However, from 2020 to 2022, due to the impact of the widespread COVID-19 pandemic, fluctuating prices of raw materials, and the Russia-Ukraine conflict, the business production activities of enterprises faced many difficulties. The lack of synchronization in legal documents and the difficulties in accessing land for projects have significantly affected the province's competitiveness index. In 2022, the province's competitiveness index reached 63.09 points, ranking 51 out of 63 provinces and cities, down 11 places compared to 2021. Therefore, the research paper on improving the competitiveness index of Yen Bai province to identify goals, solutions, and the organization of implementing PCI improvement in Yen Bai province is very necessary. Improving the provincial competitiveness index (PCI) is the basis for sectors and levels to develop and implement specific plans and solutions in each field of state management to improve the quality of economic and social management of the province, especially the unification from awareness to action of sectors and levels and enhancing the role and responsibility of the heads of agencies and units towards the goal of overcoming bottlenecks, promoting strengths, and striving to turn Yen Bai into a locality with a good business investment environment and an attractive destination for domestic and foreign investors.

2. Theoretical basis

The Provincial Competitiveness Index on Business Environment in Vietnam (PCI) is the result of a research collaboration between the Vietnam Competitiveness Enhancement Project (VNCEI) and the Vietnam Chamber of Commerce and Industry (VCCI). The PCI index is designed to assess the business environment, the quality of economic management, and the administrative reform efforts of local authorities, thereby promoting the development of the private economic sector in the country.

The PCI index measures the quality of economic management by provincial governments in 10 areas that are important for the development of enterprises in the private economic sector. Accordingly, a locality is considered to have good management quality when it has: 1) low market entry costs (5%); 2) easy access to land and stable land use (5%); 3) a transparent business environment and public business information (20%); 4) low informal costs (10%); 5) Fast time for inspection, examination,

and implementation of regulations and administrative procedures (5%); 6) An equal competitive environment; 7) Dynamic, creative provincial government in solving problems for enterprises (5%); 8) High-quality business support services (5%); 9) Good labor training policies (20%); and 10) Fair, efficient dispute resolution procedures and maintenance of security and order (5%).

3. The reality of the PCI index in Yen Bai province

There are over 300 articles annually to promote administrative reform, business environment reform, and business support in the mass media and on social media. We make public legal documents, economic and social development plans, regional plans, sector plans, and economic and social development plans to facilitate people and businesses' access to information in a variety of ways. Focus on promoting the synchronous implementation of digital transformation with comprehensive administrative reform, improving the quality of public services, and shortening the time for administrative procedures in the fields of investment, land, taxes, and labor. Correct handling of 1,800 administrative procedures ensures fast, open, transparent, and compliant results. Complete technical infrastructure and information systems, and integrate and synchronize central and local databases to serve e-government, leading to digital government, a digital economy, and a digital society. We have connected the provincial public service portal to 20/22 database systems, including those for business registration, social insurance, household registration, judicial records, budget file search, vehicle information search, and land database search. Continue to implement the project to develop population data applications, electronic identification, and authentication to serve the national digital transformation in the period 2022–2025, with a vision to 2030, according to the Prime Minister's instructions, and issue temporary criteria for implementing digital citizens in the locality for the period 2023–2025. Authentication of 766,010 social insurance participants has reached 97%. This has strengthened discipline and order in state administrative agencies at all levels and improved ethics in the performance of duties by cadres, civil servants, and public employees. It has also fostered the spirit of daring to think, act, and take responsibility for the common good. At the same time, the "administrative procedure support hotline" and "citizens and businesses ask-state agencies answer" sections on the province's electronic information portal are being maintained.

To promote investment and support businesses, the provincial Party Committee's Standing Committee and the provincial People's Committee have issued directives and decisions to strengthen investment attraction for the period 2023–2025, with a vision to 2030. The province gives priority to attracting projects that prioritize high technology, efficient use of natural resources, and environmental friendliness. At the same time, the specific responsibilities of agencies and sectors in supporting and removing difficulties and obstacles for investors are determined, reducing the time for investment procedures by 35–50% compared to current regulations. To date, the province has granted investment decisions and investment registration certificates to 616 projects with a total registered investment capital of over 88,000 billion VND and 506.6 million USD. Recognizing the importance of supporting businesses and

investors, Yen Bai province has maintained the movement of "Weekend with people and businesses," organizing meetings with investors and business coffee programs. To alleviate difficulties for export businesses, the sectors have organized meetings with cooperatives and conferences. Through direct and regular contact with businesses, cooperatives have created a close link between state management agencies and business units, promptly grasping and removing difficulties and concerns at the grassroots level and promoting the development of production and business. Actively implement preferential policies to support investment and develop economic sectors in the region. Effectively implement the issuance of business registration certificates and online business registration; implement solutions to encourage and support innovation, start-ups, and the development of the private economy; implement policies to support the development of agricultural, forestry, and fishery production; focus on developing production according to value chains; livestock farming according to the orientation of producing goods, specialties, and organic products; develop sustainable forest plantation areas; and effectively implement the strategic action plan for import and export of goods in the area. Carry out trade connection activities, support businesses in promoting products on e-commerce channels, and focus on products such as processed agricultural and forestry products, consumer goods for export, etc.

According to the results announced by the Vietnam Chamber of Commerce and Industry (VCCI), in 2022, the Provincial Competitiveness Index (PCI) of Yen Bai province reached 63.09 points, ranking 51st out of 63 provinces and cities, down 0.24 points and 11 ranks compared to 2021. Compared to the provinces in the midland and mountainous regions of the North, Yen Bai ranked 9th/14, down 2 ranks. Out of 10 component indices with 142 indicators, 3 indices increased in score and rankings, including the Business Support Policy index, which increased by 0.63 points and 19 ranks; the Market Entry index, which increased by 0.31 points and 14 ranks; and the Legal Institutions and Security and Order index, which increased by 0.47 points and 6 ranks. There are 2 indices that decreased in score but still remained in the top leading group, namely, the dynamism index and the informal costs index; 5 indices decreased in score, belonging to the bottom group of the ranking, including the land access, transparency, time cost, fair competition, and labor training indices.

Table 1: PCI index of Yen Bai province in the period 2018-2022

Indicator	2022	2021	2020	2019	2018
Market Entry	6.98	6.67	7.50	7.98	7.56
Land Access	6.05	7.58	6.72	6.11	5.99
Transparency	6.23	6.75	5.63	6.75	6.45
Time cost	5.98	7.36	7.26	6.78	5.80
Informal costs	6.73	7.03	7.08	5.77	5.58
Fair competition	4.90	6.31	6.02	6.35	5.31
Dynamism	7.42	7.95	6.49	6.23	5.25
Business support policy	5.60	4.97	5.65	6.06	6.06
Labor training	5.17	5.64	6.81	6.65	6.60
Legal institutions	7.76	7.29	6.21	7.14	6.91
PCI	63.09	63.33	63.35	64.98	62.22
Ranking	51	40	33	36	42

Source: Synthesized from PCI reports of the years

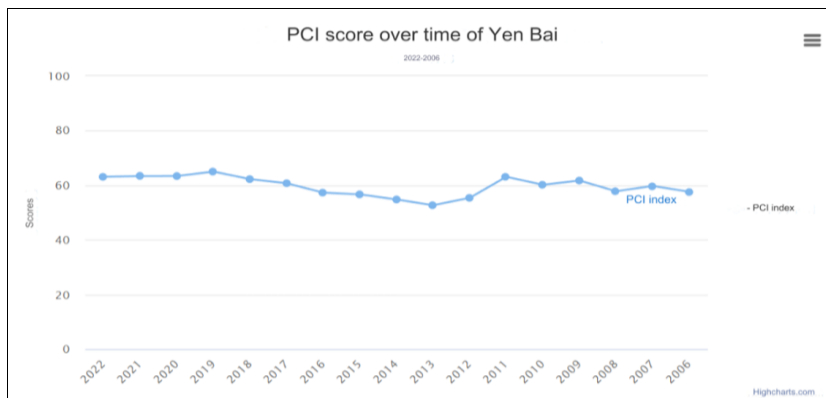


Fig 1: PCI scores over time for Yen Bai

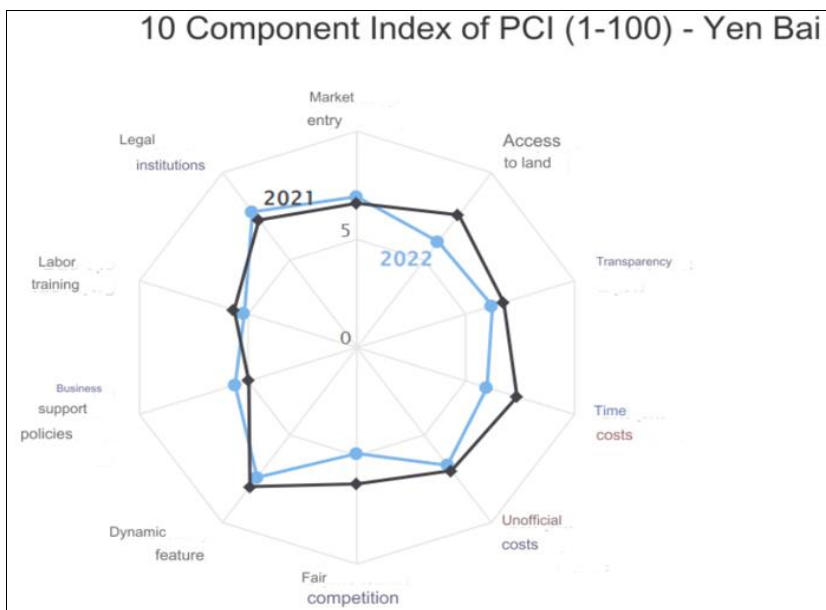


Fig 2: 10 component indices of PCI in Yen Bai Province

4. Conclusion and solution

Continuing to improve the PCI index is an important task in the following years. To do this, it is necessary to enhance responsibility, especially of the leaders; promote dynamism, creativity, and effective coordination among agencies and authorities in solving administrative procedures, which is considered one of the key solutions to improving the business investment environment and creating momentum for the province's socio-economic development.

Continue to restructure the economy in association with innovating the growth model and improving the quality of growth and competitiveness of the economy; drastically and effectively implement three national target programs: The economic and social recovery and development programs. Implement strategic breakthroughs in a synchronized and effective manner, with a particular focus on infrastructure development. This includes enhancing transport infrastructure, urban infrastructure, industrial parks, digital transformation infrastructure, and new rural construction infrastructure.

The departments, sectors, and localities closely follow the 142 assessment indicators to develop plans, roadmaps, and remedies, in which they propose breakthrough, creative, and effective solutions to improve the scores of the component indices. The assessment indicators are assigned to be monitored, especially the indicators ranked below the Top

40; they actively innovate to improve dynamism and the effectiveness of the directing and operating work from the provincial to the grassroots levels. Besides, the province continues to build a team of cadres who meet the requirements of capacity, quality, and high professionalism; strictly and resolutely transfer or remove from the apparatus those cadres who are incompetent or violate official ethics, cause harassment, annoyance, negative manifestations, and corruption. The province also drastically reforms the administration, focusing on reforming administrative procedures, especially in the fields of investment, land, and construction. Focus on deploying digital transformation platforms, prioritizing utility groups serving the settlement of administrative procedures, providing online public services, etc. At the same time, the province proactively implements preferential policies, supports investment, and develops economic components in the province in the period of 2021-2025.

5. References

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