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# **Improve the Provincial Competitiveness Index (PCI) for the "Labor Training" Index in 2023 in BAC GIANG PROVINCE**

*Vu Thi Ngoc Huyen*

University of Labour and Social Affairs, Vietnam

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## **ABSTRACT:**

The Provincial Competitiveness Index (PCI) plays a pivotal role in boosting competitiveness, improving the investment environment, and drawing the attention of businesses to each locality. The "labor training" component of the PCI is crucial in measuring the efforts of provinces to promote vocational training and skill development to support local industries, aiding workers in their job search. To enhance this index, it's essential to improve and elevate the quality of the workforce and promote career guidance and education for workers. Schools and businesses should collaborate more closely to foster a professional work culture, nurture soft skills for workers, and modernize facilities and equipment at vocational training centers to keep pace with the rapid development and adoption of advanced science, technology, and machinery by companies within and outside the province.

*Keywords: PCI, labor training index, Bac Giang*

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## **1. The Labor Training Index**

*The provincial competitiveness index*

The Provincial Competitiveness Index, known as PCI, is designed to assess the business environment, economic governance quality, and administrative reform efforts of provincial governments in Vietnam. It doesn't just focus on analyzing businesses' perceptions of economic management quality; the annual PCI research also includes surveys of foreign-invested enterprises (FDI) operating in Vietnam, evaluating their confidence in business prospects, ranking the quality of local infrastructure, and conducting thematic studies on significant trends or policies that greatly impact the business activities of enterprises nationwide. The PCI is the fruit of a collaborative research effort between the Vietnam Chamber of Commerce and Industry (VCCI) and the United States Agency for International Development dating back to 2005. The PCI is determined through a system of component indices, each carrying a specific weight and including various sub-indicators that reflect different areas and aspects where local governments have a direct impact on business operations.

The PCI index measures the quality of provincial governance in 10 critical areas vital for the development of enterprises in the private sector. A locality is considered to have good governance if it has: 1) low market entry costs (5% weight); 2) easy access to land and stable land use (5% weight); 3) a transparent business environment with publicly available information (20% weight); 4) low informal costs (10% weight); 5) quick inspections, regulatory compliance, and administrative procedures (5% weight); 6) an equitable competitive environment; 7) Proactive and innovative provincial authorities in problem-solving for businesses (5% weight); 8) High-quality business support services (5% weight); 9) Effective labor training policies (20% weight); and 10) Fair, efficient dispute resolution processes with maintained law and order (5% weight).

*Labor Training Index*

The "Labor Training Index" component reflects the extent and quality of vocational training and skill development activities initiated by the province to support local production and business sectors, as well as to assist in local employment opportunities.

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## **2. The current situation of labor training policies and the labor training index from the perspective of Bac Giang province's PCI.**

### *2.1 Characteristics of enterprises in Bac Giang Province.*

Bac Giang province is located in the northeast region of Vietnam, situated along the Lang Son-Hanoi - Ho Chi Minh City-Moc Bai economic corridor, which is part of the Nanning-Singapore Pan-Asia corridor. It borders the capital Hanoi and the provinces of Bac Ninh, Hai Duong, Lang Son, Quang Ninh, and Thai Nguyen, and it's adjacent to the dynamic "Hanoi-Hai Phong-Quang Ninh Economic Triangle." Covering a natural area of 3,895 km<sup>2</sup> with a population of over 1.8 million people, the province comprises nine district-level administrative units and one city. Bac Giang City serves as the

administrative center of the province, located 50 km from Hanoi Capital, 110 km from Huu Nghi border gate (Lang Son), 50 km from Noi Bai International Airport, and 130 km from Hai Phong seaport and Cai Lan deep-water port in Quang Ninh. Despite its mountainous terrain, the inclusion of midland and plain areas makes it ideal for agricultural and forestry development. Recently, the province has seen a positive shift in its agricultural and forestry structures. With over 302,000 hectares of farmland, Bac Giang has planned large-scale commodity production areas such as the largest fruit-growing region in Northern Vietnam, major areas for processed and safe vegetables, and specialized aquaculture zones. Notably, the Luc Ngan lychee region is cultivated according to VietGAP and GlobalGAP standards; it ranks third in chicken population and fourth in pig population nationwide. The forestry land spans nearly 146,000 hectares, with over 50% being economically valuable production forests.

With the relentless adoption of scientific and technological advancements, especially the introduction of new crops and farming methods, the growth rate of agricultural commodities increases annually. High-value crops are expanding rapidly. Industrial livestock farming, along with aquaculture, continues to see very promising development. Currently, Bac Giang prioritizes calling for investment in projects that develop high-tech agriculture, smart agriculture, and clean agriculture.

Industry is a sector with huge potential in the province. Currently, there are eight industrial parks established, covering a total area of about 1,967.46 hectares. Aiming to become a province with modern industry and a regional industrial development hub, by 2030, the province will have over 10,000 hectares designated for industrial development. This includes 29 industrial parks with a total area of about 7,000 hectares, of which 20 are newly planned, adding nearly 5,700 hectares to new and expanded industrial zones, and 63 industrial clusters covering more than 3,000 hectares. A novel aspect of the industrial development plan is its integration with urban and service development. Among the planned industrial parks, there are 12 that combine urban services and amenities.

We're honing in on developing sectors like electronics, computers, and optical products; electrical equipment (primarily solar batteries); garment manufacturing; rubber and plastic products; mechanical production; food processing and manufacturing; textiles; as well as water supply, waste management, and wastewater treatment. Key products that are currently dominating a large share of our structure include electronics, computers, optical items, electrical devices (mainly solar batteries), clothing, and goods made from rubber and plastic.

Along with the potential to develop industry and agriculture, Bac Giang is ripe with opportunities for tourism growth. The province boasts a rich array of historical, cultural, and artistic architectural sites, with over 2,230 relics, including 731 classified ones. Among these are standout landmarks such as the Vĩnh Nghiêm Pagoda in Yên Dũng—a special national monument; Bồ Đà Pagoda in Việt Yên; the Yên Thế uprising sites; the historic Xương Giang victory site; and the spiritual-ecological tourist area of Tây Yên Tử. Traditional festivals are not only preserved but also increasingly promoted and expanded. Notably, Bac Giang is home to 5 cultural heritages recognized by UNESCO: the woodblocks of Vĩnh Nghiêm Pagoda; Quan họ folk songs; Ca trù singing; the belief in the Mother Goddesses of the Three Realms; and the Then practice by the Tày, Nùng, and Thái ethnic groups in Vietnam.

- **Labor training policies in Bac Giang province.**

Bac Giang Province has issued Plan No. 20-KH/TU on June 9, 2021, focusing on training and enhancing the quality of the local workforce to meet the demands of a new era, known simply as Plan 20. The goal is to develop a workforce that meets practical requirements, with an emphasis on improving the training quality at universities, colleges, vocational schools, and other educational institutions within the region. From 2022 to 2025, the plan aims to recruit and train a total of 40,800 workers, including those from ethnic minority and mountainous areas; vocational education institutions; state management agencies in vocational education, labor, and employment; people's committees at district and commune levels; and businesses within the province. The implementation scope covers 73 communes and towns in ethnic minority and mountainous areas across the districts of Son Dong, Luc Ngan, Luc Nam, Yen The, and Lang Giang, as stipulated in Decision No. 861/QĐ-TTg. The Resolution of the 19th Provincial Party Congress identifies improving vocational training quality as one of six development orientations for the province for the term 2020–2025.

Across the province, there are 35 vocational education institutions. From 2021 to June 2023, these institutions have enrolled and trained over 72,700 individuals, achieving 84.4% of the plan for the 2021–2023 period; annual training results consistently exceed the set targets. The employment rate post-vocational training is at 90% for college graduates and over 80% for those graduating from secondary and primary vocational programs, including continuous training. The percentage of trained workers increased from 70% in 2020 to 74% in 2022. Notably, the proportion of workers with training lasting three months or longer holding diplomas or certificates is higher than the national average. These outcomes contribute to supplying technical manpower as per business demands and facilitating labor structure transformation. Alongside investing in infrastructure, vocational schools have proactively partnered with businesses to innovate their training methods. For instance, Bac Giang Industrial Technical College has not only been enrolling students for college and intermediate vocational levels since 2001 but was also the first in the province to offer a regular high school education program that combines cultural studies with vocational training.

Implementing vocational education development and employment solutions for ethnic minority and mountainous region workers as per Prime Minister's Decision No. 1719/QĐ-TTg dated October 14, 2021, and fostering vocational education in impoverished and challenging areas according to Decision No. 90/QĐ-TTg dated January 18, 2022, the Department of Labor, Invalids, and Social Affairs of Bac Giang province has issued guidelines for the People's Committees of districts and cities, vocational education institutions, and related entities to execute these plans. Consequently, districts and cities within the province have promptly organized surveys and statistics to forecast the vocational training needs of the local workforce (quantity, skill level, current labor status, and industry development requirements). This includes the demand for trained labor from businesses and service production facilities. At the same time, efforts have been intensified to inspect and supervise the organization of classes at vocational education institutions to ensure a balance between theoretical learning and practical training, as well as teacher quality, aiming for highly effective vocational training outcomes. Regarding the fields of training and support for training costs, specifically for 2022, Bac Giang is following regulations set out in Decision No. 146/QĐ-UBND dated

January 24, 2022. The training duration for industrial and service trades is 3 months; for agricultural trades, it is 2 months; and for small-scale crafts, it is also 2 months. Concerning support for training expenses: People with disabilities receive a subsidy of 1.3 million VND per month. Ethnic minorities, Kinh people from near-poor households living in ethnic minority and mountainous regions, people from poor households, unemployed women, etc. are supported with 840,000 VND/month. Those from near-poor households, youth who have completed military or police service obligations, volunteers who have fulfilled their duties in socio-economic development programs or projects, individuals who have served their prison sentences, etc. are supported with 660,000 VND per month. As for meal and travel allowances, trainees enrolled in basic-level programs or training for less than 3 months will receive a daily food allowance of 30,000 VND per actual day of attendance. For trainees living more than 15 km away from the training location, an additional travel allowance of 200,000 VND per course is provided. Specifically, people with disabilities and residents from communes or villages in difficult or especially challenging areas as defined by the Prime Minister's regulations will receive a travel subsidy of 300,000 VND per course if the training location is more than 5 km away from their place of residence.

• **The labor training index from the PCI perspective in Bac Giang province for the period 2018–2023.**

	2022	2021	2020	2019	2018
<b>Labor training</b>	6.80	6.33	6.82	7.19	6.54
<b>PCI</b>	72.80.	64.74.	63.98	64.47	63.01

Source: compiled by the author.

Bac Giang province's labor training index for 2022 stood at 6.8 points, an increase of 0.47 points and a climb of 18 ranks compared to 2021. However, it experienced a slight decrease from the scores of 2020 and 2019, by 0.02 points and 0.39 points, respectively. In the midland and northern mountainous regions, Bac Giang's labor training index for 2022 ranked first, also placing it at the top of all 63 provinces with a score of 6.8. Here's a breakdown of the specific component indicators:

Province /CITY	Labor training	Percentage of businesses assessing that recruiting unskilled workers in the province is easy (%)	Percentage of businesses assessing that recruiting managers and supervisors in the province is easy (%)	Ratio of labor recruitment costs in total business costs (%)	Ratio of labor training costs in total business costs (%)	Vocational education in the province is of good quality (% Agree)	Percentage of employees at enterprises who have graduated from vocational education institutions (%)	Proportion of workers aged 15 and over working in the locality who have received training (% , GSO)	Local labor fully/mostly meets the needs of businesses (%)	General education in the province is of good quality (% Agree)	Average score of the high school graduation exam
Bắc Giang	6.80	65%	50%	47%	5.13	6.26	54%	69.68	26.72	37%	56%
Phú Thọ	6.53	70%	38%	35%	5.30	7.24	50%	48.55	34.59	52%	59%
Thái Nguyên	6.33	66%	43%	20%	6.40	10.82	65%	59.57	35.40	54%	77%
Lạng Sơn	5.94	60%	30%	27%	5.31	6.33	48%	53.95	27.80	48%	58%
Tuyên Quang	5.89	77%	46%	47%	5.88	5.54	37%	53.83	23.07	40%	46%
Lào Cai	5.70	41%	20%	28%	4.36	3.99	24%	54.85	24.59	38%	39%
Hòa Bình	5.58	46%	16%	15%	3.43	5.22	40%	48.08	23.63	52%	53%
Bắc Kạn	5.38	43%	19%	16%	3.92	2.37	26%	43.69	27.02	36%	30%
Cao Bằng	5.30	60%	35%	37%	5.32	4.37	35%	41.35	24.70	27%	38%
Yên Bái	5.17	66%	33%	34%	3.57	4.28	24%	35.83	22.20	39%	24%
Hà Giang	5.05	64%	39%	40%	7.37	5.97	46%	54.93	19.54	39%	53%
Sơn La	5.01	50%	22%	23%	5.46	5.07	42%	48.39	16.78	43%	52%

Lai Châu	5.00	69%	46%	42%	8.22	7.86	48%	40.17	25.61	27%	57%
Điện Biên	4.54	55%	31%	33%	6.16	6.76	35%	40.30	18.78	28%	42%

Source: compiled by the author.

### 3. Strategies to improve the quality of human resources in Bac Giang Province for the 2021–2026

The Bac Giang Provincial Party Committee (19th tenure) issued Plan No. 20-KH/TU on June 9, 2021, focusing on training and improving the quality of the local workforce to meet the demands of the new era. After five years of implementing Plan No. 20-KH/TU, the province's human resources have taken a significant leap forward, essentially meeting the goals and tasks for socio-economic development. Career guidance and streaming orientation for high school students are always emphasized to cultivate a skilled workforce for the local labor market; universities, colleges, vocational schools, and training centers have innovated their enrollment activities with various implementation methods... However, looking at the effectiveness in each area, it's evident that the province's workforce still falls short of meeting the socio-economic development requirements in the era of the Fourth Industrial Revolution. There is a scarcity of highly skilled labor, high-quality human resources are lacking, there's a shortage of experts and scientists, and certain technical fields suffer from an inadequately trained workforce.

In 2022, the percentage of the workforce trained through various programs reached 74%; meanwhile, 32.8% of the workforce received vocational qualifications or certificates. To further enhance the quality of human resources and contribute to socio-economic development, it's crucial for all levels and sectors to focus on implementing the following solutions:

- (1) Continue to deploy and execute the tasks of Plan No. 20-KH/TU with greater determination and efficiency than in previous phases; in doing so, the implementation must be focused, prioritized, and take appropriate steps forward.
- (2) Human resource development must include mental and physical strength associated with improving population quality, health, education and training, vocational education, job creation, management, and employment. use human resources; at the same time, it is linked to employment needs and social needs and sees this as one of the major solutions, with decisive significance to the socio-economic development of the province. Focus on training human resources to meet development requirements in industries and fields with advantages to the province, such as industry, energy, tourism, and agriculture, applying high technology to strongly develop the province's economy. In which: (i) Pay attention to training and fostering human resources in terms of education, technical expertise, skills, physical health, moral qualities, lifestyle, social psychology, and attach training with job creation; (ii) Do a good job in forecasting, orienting, consulting, and solving jobs. (ii) Develop policies to attract and employ a team of leading industry experts, scientists, engineers with good, excellent, or higher qualifications, good management and business staff, and good technical workers. Excellent graduates come to work in the province.
- (3) Focus on investing in the construction and upgrading of educational facilities. Encourage businesses to engage in vocational education activities, enhance local workforce quality, and invest in research and development. Expand cooperation and partnerships in training high-quality, skilled personnel across strong sectors to meet the economic and social development needs of the province.
- (4) Achieve breakthroughs in team building; focus on improving the quality of human resources, particularly leaders, managers, and civil servants with high expertise, practical skills, integrity, and a close connection to the people, valuing and being responsible to the public. Encourage officials and civil servants to innovate, be bold in thinking and acting, and be willing to critique and take responsibility as per Conclusion No. 14-KL/TW dated September 22, 2021, by the Politburo on the policy of encouraging and protecting proactive and creative officials for the common good.
- (5) Continue to improve the quality of the population in terms of physical, intellectual, spiritual, and human development index (HDI). Effectively implement national programs and goals on health, people's health care, and the prevention and control of malnutrition in children. /.

### 4. Conclusion

With its abundant potential and strategic development direction, Bac Giang is striving to achieve comprehensive growth by 2025, solidifying its industrial, agricultural, and service sectors, and propelling itself into the top 15 provinces in terms of economic scale (GRDP) nationwide. The province boasts a young and dynamic workforce with strong capabilities. With over 1.1 million people of working age, more than 60% of whom have received formal training, the labor force is a decisive factor in the economic and social development of the area. Currently, Bac Giang has 1 university, 3 colleges, 4 vocational schools, and 41 vocational education institutions catering to the high-quality training needs of its workforce. Especially in the era of the fourth industrial revolution, Bac Giang is increasingly focused on developing a high-quality human resource pool. To achieve the Plan 20 set by the Bac Giang Provincial Party Committee aimed at developing a workforce that meets practical demands, there's a focus on improving the quality of training at universities, colleges, vocational schools, and other educational institutions within the province. Bac Giang needs to implement solutions to enhance and improve its labor training index.

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