



Transparency and Access to Information Index in the Provincial Competitiveness Index in Thanh HOA Province

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ABSTRACT:

In recent years, Thanh Hoa province has always focused on improving the investment and business environment, improving the efficiency of management and administration of the administrative apparatus at all levels. Thereby, creating the most favorable conditions for businesses to produce and do business smoothly, effectively, and by the law, contributing to economic growth. However, the provincial competitiveness index in general and the transparency index tend to decrease continuously. This reflects the reality that although there have been efforts to improve the investment and business environment, the solutions proposed and the implementation of departments, branches, and people's committees of districts and cities have not been effective. The city and relevant agencies and units still have many limitations and have yet to see improvements and breakthroughs. Therefore, Thanh Hoa Province needs to take specific actions to gradually improve the investment environment and competitiveness. This article aims to analyze data on the province's transparency index, thereby, it is the basis for sectors and levels to build and implement specific plans and solutions in each field of State management to improve the quality of socio-economic management of the province..

Keywords: PCI, competitiveness index, transparency index, Thanh Hoa.

1. Introduction

The Provincial Competitiveness Index (PCI) is the result of continuous and persistent collaborative efforts since 2005 between the Vietnam Confederation of Commerce and Industry (VCCI) and the United States Agency for International Development (USAID), to enhance the quality of economic governance, create a favorable business environment and promote business development in Vietnam.

In recent years, Thanh Hoa province has always focused on improving the investment and business environment, improving the efficiency of management and administration of the administrative apparatus at all levels. Thereby, to create the most favorable conditions for businesses to produce and do business smoothly, effectively, and in accordance with the law, contributing to economic growth. However, in the period 2015-2022, the provincial competitiveness index in recent years has tended to decrease and is low compared to the country in general and the Central Coastal Delta provinces in particular. This reflects the fact that the province has made efforts to improve the business investment environment, but the solutions proposed and the implementation organization of the Departments, People's Committees of districts, and relevant agencies have a lots of restrictions. Policies have not had any improvements or breakthroughs. Therefore, Thanh Hoa province needs to take specific actions to gradually improve the investment environment and competitiveness.

The transparency and access to information index has a weight of 20%, which is one of ten indicators to evaluate provincial competitiveness. Transparency is one of the most important factors in distinguishing which business environments are favorable for private sector development. Analyzing data on transparency index is the basis for sectors and levels to build and implement specific plans and solutions in each field of State management to improve the quality of socio-economic governance. Provincial Association, especially unifying awareness and action of sectors and levels and enhancing the roles and responsibilities of heads of agencies towards the goal of overcoming bottlenecks and promoting strengths, striving to make Thanh Hoa a locality with a good business and investment environment, and an attractive destination for domestic and foreign investors. Therefore, the goal of this article is to evaluate the transparency and access to information index of Thanh Hoa province in the period from 2015 to 2022, thereby examining the causes leading to a decrease in this index in 2022.

2. Theoretical basis

The Provincial Competitiveness Index on Vietnam's business environment (PCI) is the result of research cooperation between the Vietnam Competitiveness Enhancement Project (VNCEI) and the Vietnam Chamber of Commerce and Industry (VCCI). The PCI index was built to evaluate the business environment, quality of economic management and administrative reform efforts of local governments, thereby promoting the development of

the domestic private economic sector. Built from the largest annual business survey data, conducted most meticulously in Vietnam today, the PCI Index is the "collection of voices" of the business and private business community about the business environment in provinces and cities in Vietnam. The PCI index explores and explains why some provinces and cities surpass other provinces and cities in private economic development, job creation and economic growth. With annual announced results and a data system publicly posted on the project's website (www.pcivietnam.vn), this is a useful source of reference information for leaders of provinces and cities in particular, as well as policy makers in general, they can identify bottlenecks in economic management as well as choose appropriate solutions to carry out economic management reforms in the most effective way.

The transparency and access to information index weights 20%, which is one of ten indicators to evaluate provincial competitiveness. Transparency is one of the most important factors in distinguishing which business environments are favorable for private sector development. Assessing transparency must meet the following five attributes: availability of information (or the ability of businesses to access information), fairness, stability, and predictability of policy implementation and openness by assessing the popularity of the province's information website.

The transparency and access to information index measures the ability to access provincial plans and legal documents necessary for businesses. Can businesses fairly access these documents? New policies and regulations are consulted with businesses and predictability in the implementation of those policies and regulations and the usability of the provincial website for businesses. The transparency and access to information index includes the following indicators: Access to planning documents (1=Impossible; 5=Very easy); Accessing legal documents (1=Impossible; 5=Very easy); Budget documents are detailed enough for the enterprise to use for business operations (%); Bid invitation information is made public (%); Percentage of businesses receiving information and documents after requesting provision from provincial state agencies (%); Number of days to receive information and documents after requesting to provide them (median); 'Relationship' required to obtain provincial documents (%); 'Agreement' on tax payable with tax officials is an important job (%); Anticipate the province's implementation of central legal regulations (% certainty); Business associations play an important role in developing provincial policies and regulations; Scores for openness and website quality of the province; Percentage of businesses accessing the province's website (%).

3. Current status of transparency index and access to information in Thanh Hoa province

According to the 2022 Provincial Competitiveness Index (PCI) report, Thanh Hoa dropped to 47th place on the ranking of 63 provinces and cities. This is the third consecutive year that Thanh Hoa has dropped on the PCI rankings, from 24th position (2019) to 47th position at present. The reason is said to be that businesses in Thanh Hoa province are mostly small and medium enterprises; Business capacity and legal knowledge are limited. Many businesses, in the process of investing, producing and doing business, have not strictly implemented legal regulations on land, investment, construction, and environmental protection, leading to the need to handle violations, inspect, and protect the environment. inspection, thereby affecting the evaluation results of these businesses when collecting opinions on Thanh Hoa province's PCI index.

Among the 10 component indexes of PCI, up to seven Thanh Hoa indexes decreased compared to 2021, such as: Market entry; Access to land; Transparency; Time costs; Fair competition; Dynamic properties; Business support policies. Three groups of Thanh Hoa component indexes have improved compared to the previous year, which are: Unofficial costs; Labor training; Legal institutions. For the transparency and access to information index, 2022 will decrease significantly compared to 2021, from 6.02 to 5.51. Since 2015, the transparency and access to information index decreased from 6.7 to 5.51. Thanh Hoa businesses surveyed said that their ability to access the province's plans and legal documents necessary for business operations is very low.

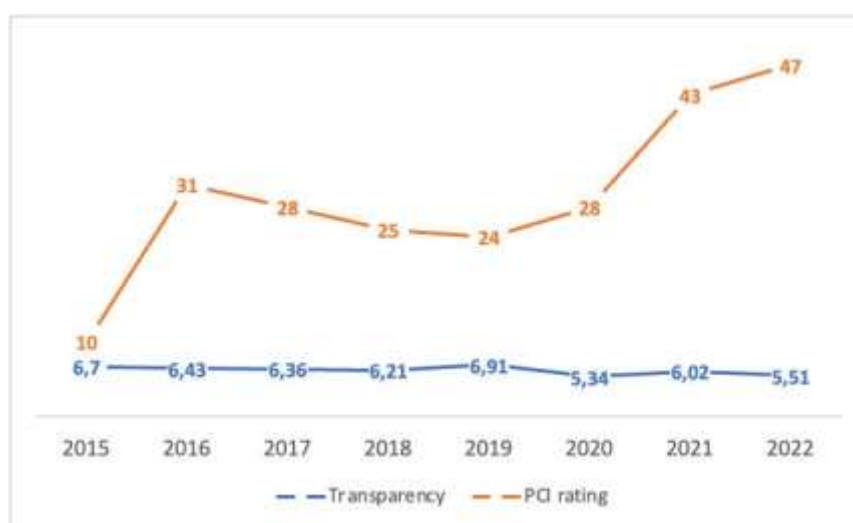


Figure 1. Thanh Hoa's transparency index

Comparing the 2022 transparency and access to information index between Thanh Hoa and the Central Coast provinces, the results show that Thanh Hoa's transparency index is at the lowest level. In 2022, Thanh Hoa's transparency index will only reach 5.51 while Da Nang's transparency index will reach 6.72.

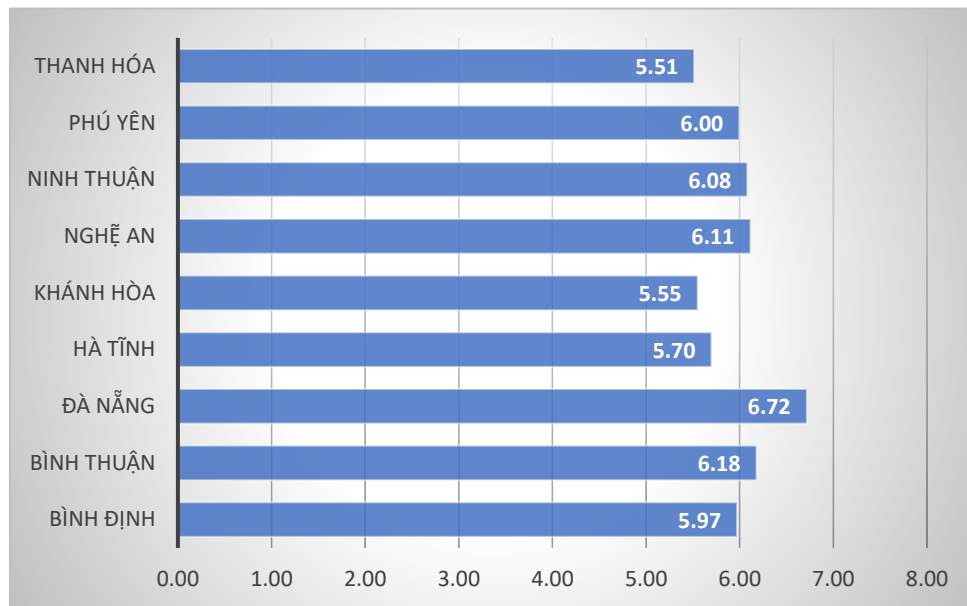


Figure 2. Transparency index in 2022 of some coastal provinces in Central Vietnam

The transparency index is being evaluated through 17 indicators, including: Access to planning documents (2.98); access to legal documents (3.04); transparency in bidding (27%); Percentage of businesses receiving necessary information and documents when requesting agencies in the province (57%); Number of days waiting to receive information and written requests (5); Information on the province's website about the province's investment incentives/incentives/support is useful (27%); Information on the province's website about regulations on administrative procedures is useful (56%); Information on the province's website about executive documents and directions of provincial leaders is useful (33%); Information on provincial websites about provincial legal documents is useful (42%); A "relationship" is required to obtain provincial documents (24%); Negotiating with tax officials is an essential part of doing business (78%); Agreement on taxes payable with tax officials helps businesses reduce the amount of tax payable (30%); The role of local business associations in developing and criticizing provincial policies and regulations (73%); Ability to predict the province's implementation of central legal regulations (24%); Ability to anticipate changes in provincial legal regulations (22%); Provincial website quality (54.77); Percentage of businesses regularly accessing the website of the Provincial People's Committee (27%). The results in Table 1 show that all 17 indicators of the transparency index in Thanh Hoa are rated at poor and average levels by businesses. Businesses believe that the information provided on the province's official information pages is not useful to businesses. Meanwhile, businesses have to negotiate with tax officials, which is an essential part of business activities, accounting for 78%. Among the 17 indicators evaluating the transparency index, comparison between Thanh Hoa and the Central Coast provinces shows that many sub-indicators are at the lowest level in the region.

Table 1. Details of the 2022 transparency index of some coastal provinces in Central Vietnam

	Thanh Hóa	Bình Định	Bình Thuận	Đà Nẵng	Hà Tĩnh	Khánh Hòa	Nghệ An	Ninh Thuận	Phú Yên
Access planning documents	2.98	3.16	2.80	3.03	3.32	3.16	3.01	3.07	3.16
Access to legal documents	3.04	3.22	2.91	3.17	3.40	3.23	3.15	3.25	3.32
Transparency in bidding	27%	40%	74%	36%	12%	49%	70%	23%	57%
Percentage of businesses receiving necessary information and documents when requested by agencies in the province	57%	56%	86%	83%	71%	67%	100%	83%	87%
Number of days waiting to receive information and requested documents	5	3	1	3	3	6	6	7	3
Information on the province's website about the province's investment incentives/incentives/support is useful	27%	29%	13%	20%	30%	13%	28%	33%	25%
Information on the province's website about regulations on administrative procedures is useful	56%	80%	51%	72%	58%	48%	62%	74%	68%
Information on the province's website about executive documents and directions of provincial leaders is useful	33%	43%	23%	32%	21%	19%	28%	41%	38%

Information on provincial websites about provincial legal documents is useful	42%	43%	38%	31%	30%	31%	46%	48%	47%
A "connection" is required to obtain provincial documents	24%	21%	50%	41%	45%	29%	49%	32%	42%
Negotiating with tax officials is an essential part of doing business	78%	60%	50%	59%	64%	37%	49%	67%	63%
Agreement on taxes payable with tax officials helps businesses reduce the amount of tax payable	30%	36%	46%	49%	35%	28%	40%	29%	35%
The role of local business associations in developing and criticizing provincial policies and regulations is important	73%	86%	60%	73%	62%	68%	68%	75%	68%
Ability to predict the province's implementation of central legal regulations	24%	19%	31%	47%	19%	22%	32%	24%	25%
Ability to anticipate changes in provincial laws	22%	19%	34%	46%	19%	25%	34%	29%	33%
Quality of the province's website	54.77	53.53	53.83	59.31	55.68	48.09	53.99	51.09	39.59
Percentage of businesses regularly accessing the website of the Provincial People's Committee	29%	29%	55%	58%	36%	40%	35%	42%	56%

4. Conclusion

According to the investigation results of the Vietnam Federation of Commerce and Industry, Thanh Hoa's PCI Index in 2022 continues to decline deeply, falling to 47th place out of 63 provinces and cities, in the average group of the country. This is a huge challenge for Thanh Hoa in its journey to conquer the goal of being in the top 10 of the country in terms of PCI Index by 2025. For the Transparency index of Thanh Hoa province in 2022, ranked 53/63 provinces and cities, with 5.51 points, down 0.71 points and 22 places compared to 2021. In the Central Coastal Delta region, Thanh Hoa province Ranked lowest in transparency and access to information index.

The continuous decline in rankings and scores of many component indexes has brought "disappointment" to many people, and at the same time raised questions that put pressure on leaders and managers in related fields through report PCI component indicators. Regarding transparency, businesses underestimate the quality of electronic information pages of the province and of departments, branches, and People's Committees of districts and cities in providing useful information. However, businesses cannot access it because their information access habits are not proactive. To overcome this situation, we will review and re-check information posted on the websites of the department and districts and cities, ensuring that information is easily and conveniently accessible. Strengthen the application of information technology, build electronic government, and deploy specialized digital signature applications. In order to improve the transparency index, departments and branches proactively review and advise the Provincial People's Committee on solutions to enhance openness and transparency to improve the information openness and transparency index. Proactively coordinate, guide and urge agencies and units to promote the application of information technology and build e-government. Continue to improve the province's Public Service Portal in a synchronous, modern, safe, and easy-to-use direction; Evaluate and rank the level of information technology application and e-government building by agencies. The Office of the Provincial People's Committee urges departments, branches and localities to provide information and review the process of guiding the implementation of administrative procedures. To propose solutions to create transparency and shorten the time to resolve administrative procedures for businesses. Business associations strengthen the provision of information, propaganda and dissemination of central and provincial guidelines and policies to businesses; Maintain surveys and evaluate business responses to mechanisms, policies, dynamism, creativity and attitudes of officials, civil servants and public employees. The Provincial Tax Department makes public and transparent the process of establishing tax payers and tax refunds, improving the sense of responsibility and discipline of ministries, civil servants and tax officials in performing their duties.

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