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# **Improve the "Transparency and Access to Information" Index in the PCI Index Set of Bac Giang Province**

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## **ABSTRACT:**

To build and improve a favorable investment and business environment and enhance the quality of economic management and administration of the Bac Giang provincial government, reflected through the Provincial Competitiveness Index (PCI), the opinions, contributions, and assessments of enterprises (EEs) in Bac Giang Province are very important. Among the 10 component indices, the Transparency and Access to Information Index, managed by the Department of Information and Communications, was highly appreciated by the EE community in 2022. In 2022, the component index "competitiveness index" (PCI) ranked 19th out of 63 provinces and cities with a score of 6.30 points. This article analyzes and evaluates the Transparency and Access to Information Index of Bac Giang Province. Thereby, we propose solutions to improve the transparency index in the PCI of Bac Giang Province.

*Keywords: transparency, PCI, Bac Giang*

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## **1. Introduction**

The PCI is conducted by the Vietnam Chamber of Commerce and Industry (VCCI) with the support of the United States Agency for International Development (USAID) in Vietnam. The PCI is conducted in collaboration by a group of domestic and foreign experts from the VCCI. PCI stands for Provincial Competitiveness Index, an index that measures and evaluates the quality of economic governance, the level of convenience and friendliness of the business environment, and the administrative reform efforts of provincial and municipal governments in Vietnam, thereby promoting the development of the private economic sector. Built from the data of the largest annual business survey, conducted in the most elaborate manner in Vietnam today, the PCI is a "collection of voices" of the private business community about the business environment in provinces and cities in Vietnam. The PCI explores and explains why some provinces and cities surpass others in private sector development, job creation, and economic growth. With the results announced annually and the data system publicly posted on the project's website ([www.pci vietnam.vn](http://www.pci vietnam.vn)), this is a useful source of reference information for leaders of provinces and cities in particular, as well as policymakers in general, who can identify bottlenecks in economic governance as well as choose appropriate solutions to carry out economic governance reforms in the most effective way. The PCI consists of 10 component indices, covering the main areas of economic governance in provinces and cities related to business development. A locality is considered to have good governance quality when it has: low market entry costs; easy access to land and stable land use; a transparent business environment and public business information; low informal costs; quick time for inspection, examination, and administrative procedures; an equal competitive environment; Dynamic and creative provincial government in solving problems for businesses; high-quality business support services; good labor training policies; fair and efficient dispute resolution procedures; and security and order are maintained.

According to the 2022 PCI annual report, Bac Giang's PCI ranked 2nd out of 63 provinces and cities with a score of 72.80 points (out of 100), only 0.15 points behind the leading province, Quang Ninh. Bac Giang has made a spectacular breakthrough, improving 29 ranks, and this is the first year Bac Giang has risen to the runner-up position in the national PCI rankings. For the 10 component indices of the PCI report, Bac Giang has nine component indices that increased in score, including "legal institutions and security and order," "equal competition," "dynamism and pioneering of the provincial government," "labor training," "informal costs," "business support policies," "time costs," "access to land," and "transparency." One component index that decreased in score is "market entry." Although the Transparency Index increased compared to 2021, the increase was small, and it was one of the lowest-scoring indices in the set of 10 indices assessing provincial competitiveness. The transparency index accounts for 20%. This is an important index for assessing the provincial PCI. Therefore, the article focuses on researching the Transparency index to provide solutions to improve the transparency index in the PCI index set of Bac Giang province.

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## **2. Transparency and Access to Information Index**

*Provincial Competitiveness Index*

The Provincial Competitiveness Index, abbreviated as PCI, is designed to assess the business environment, the quality of economic governance, and the administrative reform efforts of provincial and municipal governments in Vietnam. In addition to focusing on analyzing businesses' perceptions of the quality of economic governance, the annual PCI study also surveys foreign-invested enterprises (FDI) operating in Vietnam, assesses business confidence in the business outlook, ranks the quality of local infrastructure, and conducts thematic research on a prominent trend or policy that has a major impact on business production and trading activities nationwide.

The PCI is the result of a research collaboration between the Vietnam Chamber of Commerce and Industry (VCCI) and the United States Agency for International Development since 2005. The PCI is determined through a system of component indices. Each component index has a weight and includes a number of constituent indicators, reflecting different areas and aspects in which local authorities directly influence business production and trading activities.

The PCI measures the quality of economic governance of 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 governance 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) Quick time for inspection, examination, and implementation of regulations and administrative procedures (5%); 6) Equal competitive environment; 7) Dynamic and creative provincial government in solving problems for businesses (5%); 8) High-quality business support services (5%); 9) Good labor training policies (20%); and 10) Fair and efficient dispute resolution procedures and security and order are maintained (5%).

#### *Transparency and Access to Information Index*

Transparency and Access to Information Index (20%): Transparency is one of the most important factors in distinguishing which business environment facilitates private sector development. Assessing transparency must meet the following five attributes: availability of information (or the ability of businesses to access information), fairness, stability, predictability of implementing policies and regulations, and openness through Indicators used in this index include: access to planning documents; access to legal documents; Transparency in bidding, Proportion of EEs receiving information and documents when requesting provincial agencies to provide Number of days waiting to receive requested information and documents, Information on the province's website about the province's investment incentives, promotions, and support is useful. Information on the province's website about administrative procedures and regulations is useful. Information on the province's website about the province's leadership's directives and instructions is useful. Information on the province's websites about the province's legal documents is useful. It is necessary to have "connections" to obtain the province's documents. Negotiation with tax officials is an essential part of business operations. Agreements on taxes payable with tax officials help businesses reduce the amount of taxes payable. The role of local business associations in developing and commenting on the policies and regulations of the province is important. The ability to predict the province's implementation of central government regulations, The ability to predict changes in the province's regulations, The quality of the province's website, Percentage of businesses that regularly access the website of the Provincial People's Committee.

### **3. The status of the transparency index in the PCI of Bac Giang province**

The "Transparency and Access to Information" index is one of the ten indices in the PCI set. To assess transparency and access to information, it is based on 17 component indices. In 2022, the component index "Transparency" in the Bac Giang Provincial Competitiveness Index (PCI) ranked 19th out of 63 provinces and cities with a score of 6.30 points.

**Table 1: Transparency and Access to Information Index of Bac Giang Province, 2018–2022.**

	2022	2021	2020	2019	2018
Transparency	6.30	6.27	5.39	6.85	6.11

Source: Synthesized from PCI reports of the years

The Transparency and Access to Information Index of Bac Giang Province has fluctuated over the years. In 2018, it was 6.11 points; in 2019, Bac Giang increased its score on this index to 6.85. In 2020, the transparency index score dropped sharply to 5.39. And by 2021, it was 6.27 points; in 2022, it increased slightly to 6.3 points. This shows that the transparency and access to information in Bac Giang province have been assessed by enterprises in the last 5 years as uneven and unstable.

**Table 2: Component Indicators of the Transparency and Access to Information Index of Bac Giang Province, 2021-2022**

Indicator	2021	2022	Difference
Access to planning documents	2.52	3.33	0.81
Access to legal documents	3.05	3.42	0.37
Transparency in bidding	91%	14%	-77%
Percentage of enterprises receiving information and documents needed when requesting provincial agencies to provide	80%	80%	-

Number of days waiting to receive requested information and documents	1	5	4
Information on the province's website about the province's incentives, promotions, and investment support is useful.	49%	28%	-21%
Information on the province's website about administrative procedures is useful.	62%	77%	15%
Information on the province's website about the steering documents and directives of the provincial leaders is useful.	46%	23%	-23%
Information on the province's websites about the province's legal documents is useful.	51%	44%	-7%
It is necessary to have a "relationship" to obtain provincial documents.	63%	21%	-42%
Negotiating with tax officials is an essential part of doing business.	57%	34%	-23%
Agreements on taxes payable with tax officials help businesses reduce the amount of taxes payable.	52%	21%	-31%
The role of local business associations in developing and commenting on provincial policies and regulations is important.	69%	80%	21%
Ability to anticipate the province's implementation of the Central Government's laws and regulations	36%	32%	-4%
Ability to anticipate changes in provincial laws and regulations	21%	31%	10%
Quality of the province's website	54.99	55.15	0.16
Percentage of enterprises regularly accessing the provincial People's Committee's website	44%	33%	-11%

Source: author's own compilation

Out of 17 component indicators of the Transparency and Access to Information Index, there are 10 indicators that increased in score, including: access to planning documents increased by 0.81; access to legal documents increased by 0.37; Information on the province's website about administrative procedures and regulations is useful and has increased by 15%. The role of local business associations in developing and commenting on the policies and regulations of the province has increased by 11%. The ability to predict changes in the province's regulations increased by 10%. It is necessary to have "connections" to obtain the province's documents, which decreased by 42%. Negotiation with tax officials, an essential part of business operations, decreased by 23%. Agreements on taxes payable with tax officials help businesses reduce the amount of taxes payable by 31%. The quality of the province's website increased by 0.16.

There are 7 indicators decreased in score, including: transparency in bidding decreased by 0.77; information and documents requested increased by 4 days; Information on the province's website about the province's investment incentives, promotions, and support is useful, which decreased by 21%. Information on the province's website about the province's leadership's directives and instructions is useful, which decreased by 23%. The ability to predict the province's implementation of central government regulations decreased by 4%. The proportion of EEs regularly accessing the PPC's website decreased by 11%.

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#### 4. Orientation and solutions

In order to improve the component index "Transparency," units in the province need to promote the provincial competitiveness index (PCI) in 2023, including:

- Promote the improvement of the investment and business environment in their agencies and units, and at the same time promote businesses.
- Regularly organize conferences, workshops, and thematic activities for cadres, civil servants, public employees, and workers in their units to understand the purpose, meaning, and importance of the PCI (provincial competitiveness index) and DDCI (competitiveness assessment index of departments, sectors, and localities) for the socio-economic development of the province and locality.
- Strengthen the dissemination of information on the task of improving the PCI index on the province's Electronic Information Portal (EIP) and agencies and units. Provide sufficient, timely, public, transparent, rich, and attractive information that meets the needs of EEs (useful to EEs) on the province's EIP and agencies and units - Regularly disseminate the purpose and significance of improving the investment and business environment; the significance of the index of assessing the competitiveness of departments, agencies, units, and localities, so that EEs understand correctly, assess, and comment correctly on the surveyed contents and actively participate in answering the annual questionnaire; strengthen the dissemination of information to people and EEs to understand the benefits and methods of accessing the province's EIP and state agencies to obtain information; use online public services to save time and costs for EEs;
- Enhance the dissemination of information to the public and enterprises to understand the benefits and methods of accessing provincial and state agency portals to obtain information; use online public services to save time and costs for enterprises; disseminate information on policies to exempt and reduce taxes and fees for using online public services.

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