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Policy of Mobilizing Financial Resources for Developing New Countryside in Vietnam

Ph.D Nguyen Thi Hoang Yen
University of Labour and Social Affairs. Email: nguyenhoangyen1972ulsa(at)gmail.com
Le Hoang Anh
University of Languages and International Studies. Email: lehoanganh16102003(at)gmail.com

Corresponding: nguyenhoangyen1972ulsa(at)gmail.com

ABSTRACT

Financial resources and the institutional framework, as well as policies for mobilizing financial resources, are important issues that need to be addressed in the construction of new countryside in vietnam. Financial resources for new countrysidemainly come from the state budget, credit sources, investments from enterprises, contributions and support from organizations, individuals, and the local community. In recent years, the state has paid attention to financial investment and issued policies to mobilize financial resources for new countryside. Through these policies, vietnam's rural areas have achieved important results, with rural areas being renewed, the economy being developed, and the living standards of the people being improved. However, statistical analysis and research results show that, alongside the achievements, financial resources for new countryside have not yet satisfied the needs, and the policies for mobilizing resources are sluggish to innovate and have neither fully exploited the potential of rural areas nor effectively mobilized resources from the state and society. The state budget resources for investing in new countryside are limited, and the investment resources from enterprises have yielded low results. Contributions from the people and the local community are voluntary and have not become the main resources mobilized for new countryside. Based on the research results, the author proposes some solutions to improve the policies for mobilizing financial resources for new countryside in vietnam.

KEYWORDS

policies, financial resources, new countryside, resource mobilization.

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1. Introduction

Financial resources play a very important role in investment and development in any location, but they are particularly important for rural areas in countries. The availability of financial resources will help rural areas have more opportunities for economic and social development, eradicate poverty, improve material and spiritual life, and promote the process of building new countryside. The investment in rural development depends greatly on the socio-economic, political, and institutional conditions of the country. To have investment capital for rural development, countries have different methods and measures to mobilize financial resources. Mobilizing financial resources for building new countrysidenot only creates financial resources for rural development investment but also contributes to the development of the national economy, accelerating the process of industrialization, modernization, and urbanization of the country. Empirical evidence shows that the level of rural development in countries is always associated with the results of investment in rural development implemented in that country. Countries that pay more attention to the issuance of institutions, policies, and investment in large financial resources have achieved faster progress than countries with less investment. In 2006, member countries of the organization for economic cooperation and development (oecd) adopted principles on the new countrysidemodel, specifically adapted into national rural development programs, helping to gather principles for mobilizing investment resources and formulating national rural development policies (OECD, 2006).

Asian countries, rural development is built into separate programs with very successful specific models such as the "new village movement of south korea", the "construction of socialist countryside in china", "one village, one product in japan", "national target program for new countryside" in vietnam... These program for rural development in these countries were carried out in different contexts and conditions, but all aimed to build more advanced new countryside compared to the old ones. According to Tho (2016) in his study on mobilizing financial resources for rural development, "new countryside are the result of transforming impoverished and backward rural areas into modern and civilized ones" (Tho, 2016). According to Looney (2012) in the work "modernization campaigns and peasant polities in china, taiwan and south korea", the construction of new countryside is described as a policy to eliminate the outdated model in rural areas and build a new model of rural areas with developed economy and society, and increasing people's income. The term “rural areas”not only refers to agriculture and stagnant economy; the changes in rural areas require investment policies for new countryside (OECD, 2006). Policy makers in oecd countries point out that in rural areas, in the context of globalization, economy restructuring would face new opportunities and challenges that require rural development policies and more efficient use of scarce financial resources (Richard hecklinger, OECD). Oecd countries encourage mobilization of resources in rural areas through national support for community development corporation, from funds or mobilization of resources according to the public-private partnership (PPP) model to mobilize resources from the private sector to invest in rural infrastructure through various forms, commonly known as build-operate-transfer (bot) contracts as a mutually beneficial cooperation. In the study "the new territorial paradigm of rural development: theoretical foundations from systems and institutional theories", the author argues that to have investment resources for rural development, there’s a need for a mechanism forestablishing and creating those resources (Mateo Ambrosio-Albala Johan Bastiaensen, 2010). Yang (2010) in the study on rural development investment in china has pointed out that financial resources for rural development are diversified with main sources come from the state budget, credit capital, enterprise capital, and mobilization from the community. In the work "investing in rural america", Heinrich, 2018, points out that the state plays a major role in investing in rural areas, but investment in rural areas cannot rely entirely on funds from the state budget, and businesses may not be able to undertake or participate in investment. Therefore, it is necessary to combine mobilization of investment resources from the public and private sectors (Heinrich, 2018). The issuance of policies to mobilize financial resources for the construction of new countryside is a priority for countries in the development of rural areas, agriculture, and the construction of new countryside.

In vietnam, research on the policy of mobilizing financial resources for the construction of new countryside can be mentioned in the work "renewing the policy of mobilizing financial resources to serve the construction of new countryside in vietnam" (Thang et al., 2015) studying financial resources for the construction of new countrysideas capital resources. Financial resources from the state budget are mobilized from the state budget, credit capital, enterprise capital, resources from the community through specific mechanisms and policies that are suitable for each capital source. In the study "mobilizing and using financial resources to implement the program of building new countryside in the northern midland and mountainous provinces of vietnam," the author argues that financial resources for the construction of the new countryside are mobilized through mechanisms, incentive policies, and encouragement for enterprises to invest in agriculture and rural areas, public-private partnership (PPP) mechanisms in the construction and development of infrastructure systems, and community contributions based on voluntary principles: contributing money, labor, donating land, or people investing by upgrading houses (Han, 2017). Through the studies, it is shown that financial resources from the state budget play a dominant role in the construction of new countryside. Mobilizing financial resources through public-private partnerships is a necessary solution to mobilize financial resources from the private sector to invest in projects and programs for new countryside.

The results of the innovation of financial policies to serve the construction of new countryside in vietnam show that investment resources for new countryside have been diversified. Initially, it was only from the state budget, but the state has mobilized diverse resources from the whole society, including credit capital, enterprise capital, mobilization from the people and the community. Investment resources from outside the state have helped share the burden from the state budget, promote rural economic development, and rural areas' innovation. Overall, the main financial resources for the construction of new countryside are still public investment, credit capital, the participation of enterprises and organizations is still limited, and voluntary contributions from the people only increase in the initial stage. Investment by enterprises in rural areas is still limited, and policies to encourage enterprises to invest in projects and programs for new countryside are not attractive enough to investors. Many policies are still in the process of supplementation and improvement. The construction of new countryside in vietnam has a wide scope, is carried out regularly, continuously without interruption, and requires sufficient financial resources and appropriate mechanisms to mobilize resources to attract investment from economic components into agriculture and rural areas. Investment through public-private partnerships (PPP) aims to mobilize all social resources to develop infrastructure and provide public services; at the same time, it enhances the efficiency of investment from the state budget (Resolution 19-NQ/TW) to promote rural economic development, exploit the existing potential of localities to create sustainable resources.

2. Methodology

The author mainly uses desk research methods to systematize and synthesize current policies and statistics on financial resources (capital resources) for the construction of new countryside in the period 2016 - 2023. To identify and clarify opinions on mobilizing financial resources for rural development, and to evaluate the effectiveness of the mobilization mechanism, the author collects specific data and situations, using statistical, analytical, and comparative methods. By using *comparative methods, the author evaluate the implementation of the mobilization policy for rural development with other countries, collect and synthesizie statistical data on mobilization, using excel software for calculations. The results of resource mobilization are presented in tables with analysis and the use of charts for illustration. The author also uses generalization methods to analyze the theoretical and practical aspects of the mobilization policy, and proposes solutions to improve the policy of mobilizing financial resources for the construction of new countryside.*

3. Research results

3.1. Policies on mobilizing financial resources for the construction of new countryside.

Since the issuance of resolution no. 26-NQ/TW on august 5, 2008, regarding agriculture, farmers, and rural areas, the construction of new countryside(NC) has been developed as a national program. The NC construction program can be considered as a model for NC construction in vietnam at the present time, with 19 criteria divided into 5 groups, each criterion having specific indicators, and any commune that meets these 19 criteria fully meets the general requirements of NC. To achieve the goal of NC construction, the state has mobilized resources from the state budget, resources from the whole society. It is also vital to build and improve the policy framework, issue laws on the state budget, public investment, bidding, land, enterprises, and credit to facilitate the implementation of policies to mobilize financial resources for NC construction. According to the report from the central steering committee for the national target program on building a new countryside, during the period of NC construction from 2016 to 2023, the whole country has mobilized about 3,020,823 trillion vnd from the state budget, credit capital, enterprise capital, economic organizations, mobilizing people and the community (during the period of 2016-2020, about 1,268,823.5 trillion vnd was mobilized, and during the period of 2021-2023, about 1,752,000 trillion vnd was mobilized). The whole country has 6,022 out of 8,177 communes (73.65%) meeting the NC standards, 263 districts in 58 provinces and centrally-run cities meeting the NC standards, 19 provinces and centrally-run cities having 100% of communes meeting the NC standards, and 5 provinces being recognized for completing the NC construction tasks. The total resources mobilized for the implementation of the 2021-2025 period are estimated at about 2.45 million trillion vnd, of which the state budget is expected to contribute 420,000 trillion vnd (accounting for 17%), and the mobilized capital outside the state budget is expected to be over 2 million trillion vnd (accounting for 83%) (resolution no. 25/2021/QH15), indicating that the demand for capital for NC construction in vietnam is still very high, especially capital outside the state budget. The demand for capital for NC construction is significant, and it is difficult for any single entity to undertake the entire investment capital for NC construction without the mobilization and support of other entities. Mobilizing capital is an essential and decisive requirement in NC construction.

Research on theory and practice of mobilizing financial resources to serve the NC construction program, studies suggest that financial resources are one of the three necessary resources for the production process, including “land resources, human resources, and financial resources (capital resources)" (Thang et al., 2015). Accordingly, financial resources for NC construction have the meaning of capital resources, including money, assets, land, labor days... Converted into money, mobilized from the state budget, credit capital, enterprise capital, contributions from people and the community. Financial resources for NC construction have their own characteristics, large scale, used for long-term investment in NC construction, with low or non-profit purposes. Financial resources for NC construction belong to many different owners, and the entities mobilizing financial resources are also the entities using those resources. The process, procedures for mobilizing, managing, and using financial resources for NC construction are quite complex, prone to loss and waste, but difficult to determine responsibility. The benefits obtained from financial resources invested in NC construction are not only monetary benefits but also measured by the satisfaction of the beneficiaries. With that meaning, mobilizing resources is the collection of financial resources (capital resources) to invest in NC construction according to predetermined objectives. The policy of mobilizing financial resources to serve NC construction includes regulations, mechanisms, measures to mobilize resources from the state and society to invest in projects according to NC criteria.

1. State budget resources

State budget resources play an important role in achieving the goal of NC construction. The allocation of state budget resources for NC construction depends on the socio-economic conditions of the national rural areadevelopment region. Research on the experience of agriculturally and rurally developedcountries have shown their focus on investing large financial resources and issuing investment policies for rural areas. In the united states, to develop rural areas, the government invests large financial resources in purchasing machinery, training highly skilled farmers, mechanizing agriculture, developing high-tech agriculture, investing in infrastructure, and supporting farmers through debt repayment policies based on products, providing farmers with loans corresponding to harvest output and "pre-determined prices" recorded in loan contracts. The enactment of laws on agriculture, the rural development law has helped diversify the rural economy, connect agricultural development, industrial services, and new economic tools. Rural development policies have shifted from relying on state subsidies and incentives to investing through public-private partnerships (PPP) for rural infrastructure to create new growth momentum.

In france, the multifunctional rural model helps rural economy develop, rural society become peaceful and sustainable. The government supports production activities to establish the agricultural restructuring fund. Notably, the policy of subsidizing farmers to sustainably eradicate poverty encourages the shift from agricultural production to service activities. The agriculture law encourages rural adolescents to engage in large-scale agricultural business and apply scientific and technical knowledge to production. In south korea, the government directly supports projects and initiatives that require investment from the state budget: transportation systems, irrigation, clean water and environmental sanitation, funding and materials for the implementation of the new village movement. Indirect support is provided through incentive mechanisms, tax exemptions and reductions (exemption from fuel tax, agricultural machinery and supplies), land use fee exemptions and reductions, cheap electricity supply for agricultural processing activities, support for farmers renting agricultural production machinery, support for people in rice production. In the new village movement, government funding accounts for 51%, while funds mobilized from the people account for 49% (Thang et al., 2015). In japan, the government directly supports the state budget through allocated funds for localities to build new countryside, invest in state budget for infrastructure (accounting for about 23% of the total state budget), improve the environment, provide water supply and drainage, install telephone lines to households, exempt and reduce tuition fees, provide equipment and supplies for agriculture, promote trade, provide credit for agricultural production development, allocate state budget for building new countryside for villages, support the "one village, one product" movement, and indirectly support through preferential regulations, tax exemptions and reductions, subsidies, credit and financial incentives for land, and agricultural product subsidies (rice price support policy) to stimulate production, establish a price risk fund for agricultural products, in which farmers contribute 30% and the government contributes 70% (Thang et al., 2015). In china, financial resources for building new socialist countryside in china are allocated from the state budget, including the national special transfer payment and the national special debt project, invested in rural infrastructure construction and agricultural production development. The support funds from the central government budget and the local government budget (provincial, district, commune) for building new countryside focus on the new countryside fund established with the state budget support and contributions from organizations and individuals to the fund.

The resources of the state budget are used to build the new countryside in vietnam through the state budget allocation mechanism, including regular expenditure and investment expenditure. The central government budget and local government budget are allocated according to revenue and expenditure tasks to develop the new countryside according to the provisions of the law on state budget 2015. The annual support investmentlevel of the central government budget for local government budget is used to implement certain programs and projects that are large and important and can have a significant impact on the socio-economic development of the locality, including the new countryside program. Local authorities mobilize investment capital, strengthen the authority to allocate budgets, the provincial people's council decides on some budget allocation, standardize expenditure, and issue decisions on fee collection, contributions of the people according to the regulations of the government, decentralize some specific revenue sources to the commune level. The commune-level authorities mobilize and manage the use of some revenue sources to contribute to increasing the commune budget resources to implement some new countryside contents, creating a basis for allocating state budget and mobilizing financial resources for the local new countryside program. The state budget resources are also mobilized through direct support mechanisms, off-budget financial funds, social policy credits, state investment credits, and financial, insurance, land policies, tax incentives, abolition of unreasonable fees and charges in the agricultural sector, reduction of administrative procedures, reduction of input costs for investment enterprises in agriculture and rural areas. Localities invest in small-scale, simple technical works according to specific investment mechanisms, and state financial support resources are only used as "bait" to attract other sources of capital. The application of these mechanisms has contributed to reducing the investment burden from the state budget, improving the quality and lifespan of infrastructure projects. As a result, the country has built hundreds of thousands of kilometers of inter-village roads, alleys, transportation, internal irrigation systems... With support funds from the state budget only accounting for about 50-60% compared to conventional methods. The policy of mobilizing financial resources from the state budget also includes policies to support agricultural production development, encourage incentives, attract investment from enterprises in agriculture and rural areas, land support policies, water supply for ethnic minority poor people, support for vocational training loans to create employment, exemption and reduction of tuition fees, study costs, support for living expenses (electricity, rice, meal money) for some groups that have a positive impact on the implementation of the new countryside program. The main source of resources for new countryside up to now is still public investment. The participation of enterprises and organizations is still limited. The diversity of the system of mechanisms and policies to support new countryside has not been able to avoid overlapping, duplication, and difficulties in implementation. With the increasing trend of more documents related to policies for difficult subjects to borrow social policy funds, it is not really suitable for balancing financial resources. The state budget is always under pressure and passive in allocating resources, not promoting the proactive and local action in exploiting available resources in the area.

2. Credit capital

Credit capital is essential for the development of rural areas in countries. In the movement to build a new socialist countryside in china, credit capital is mobilized for investment in rural development through the expansion of the banking network and credit organizations to villages and towns to provide credit to rural areas and promote lending in the agricultural sector. Research on the experience of mobilizing credit capital for agricultural and rural development in china suggests that the government encourages banks and rural credit cooperatives to increase lending to the agricultural sector, maintain mandatory interest rate caps to protect farmers, and enhance access to credit for farmers. The government also encourages the development of small banks and lending companies in rural areas, encourages foreign investors to participate in the rural financial market, allows farmers to sell land and use land use rights as collateral for bank loans or contribute capital to agricultural enterprises (Thang et al., 2015). In the “New village” movement in south korea, the channel for mobilizing credit capital for farmers is based on the contributions of the people through annual income deductions through agricultural cooperatives and village cooperatives. Villagers use their savings to buy shares in cooperatives to become members of cooperatives and deposit and borrow money from the village fund. In thailand, the government uses the agricultural bank and agricultural cooperatives to provide credit for agricultural and rural development for the purpose of agricultural development. The government provides funding and allows farmers to borrow interest-free or low-interest loans that are subsidized by the state.

The credit capital for rural development in vietnam includes state credit and commercial credit. State investment in development projects aims to support rural investment. The state invests in projects in important sectors and industries to contribute to the development and restructuring of the rural economy according to the new countryside orientation (Decree no. 75/2011/ND-CP). Social policy credit for the poor and other beneficiaries is implemented through the use of financial resources mobilized by the state to provide preferential loans for production and business, job creation, and contribute to the implementation of poverty reduction programs (Decree no. 78/2002/ND-CP), applied to communes implementing new countryside to reduce the poverty rate, create jobs, increase income, and improve people's lives. Commercial credit for rural, agricultural, and new countryside is regulated in Decree no. 55/2015/ND-CP and Decree no. 116/2018/ND-CP, including: (i) mobilized capital of credit institutions and other lending organizations; (ii) borrowed capital, sponsored capital, entrusted capital of domestic and foreign credit institutions; (iii) entrusted capital of the government for lending in the agricultural and rural sectors; (iv) borrowed capital from state banks. Banks and financial institutions provide loans to policy beneficiaries and government economic programs in rural areas, with the government ensuring loan capital from the budget transferred or compensating for the difference between mobilization interest rates and lending interest rates of credit institutions.

3. Financial resources from enterprises.

The financial resources of enterprises mobilized for investment in agricultural and rural development in the period 2016-2020 accounted for 15% of the total mobilized capital (Decision 1600/QD-TTG), while in the period 2021-2025, the enterprise capital is at 4.3% (Decision 263/QD-TTG). Enterprises invest in agricultural and rural development mainly through (i) direct investment to develop agricultural and service production. Enterprises are eligible to borrow credit for development investment from the state, provinces, centrally-run cities, and receive support from the state budget after investment, and enjoy investment incentives as prescribed by law (decision 1600-QD-TTG). Enterprises investing in agriculture and rural areas with the aim of benefiting rural areas are entitled to preferential mechanisms and incentives for investment in agriculture and rural areas (Decree 58/2018/ND-CP). Enterprises investing in agriculture and rural areas are entitled to credit incentives (Decree 55/2015/ND-CP), and tax incentives for income from agricultural production. These regulations have contributed to the establishment of agricultural and rural enterprises. According to statistics from the ministry of agriculture and rural development, after the issuance of Decree 57/2018/ND-CP, in the 2-year period of 2018-2019, the number of enterprises investing in agriculture tripled (from over 3,000 enterprises to 11,000 enterprises), including large corporations that have contributed to transforming production models, changing cultivation practices, creating employment, improving the skills and income of farmers, and affecting the results of rural development. According to the data of the vietnam cooperative alliance, cooperatives have developed strongly in the period of agricultural and rural development 2016-2020, with an average increase of 2,150 cooperatives per year (the country currently has over 14,502 agricultural cooperatives, accounting for 60.6% of the total number of cooperatives), including 292 high-tech agricultural cooperatives, accounting for nearly 5% of the total number of cooperatives. The activities of cooperatives have become more efficient, closely linked to production, processing, and consumption along the value chain, with increasing revenue and income of cooperative members, demonstrating the role of cooperatives in supporting household economic development and rural construction. The average income per capita in rural areas in 2018 increased 2.78 times compared to 2010, the poverty rate in rural areas decreased rapidly from 17.35% in 2010 to about 5.9% in 2019, and the development gap between rural and urban areas has gradually narrowed (Huy, 2020). In the construction of socialist rural areas in china, the government has emphasized the role of enterprises investing in agriculture. Through the establishment of rural enterprises, village and town enterprises have contributed to the strong development of agricultural production. The government has issued policies to support capital for enterprises through the establishment of funds to support enterprises. Enterprises investing in agricultural production are entitled to tax incentives and receive subsidies from the government. Enterprises that establish rural welfare funds are eligible for a maximum annual profit tax reduction of 12%. Small and medium-sized enterprises in rural areas participating in investment in agricultural production for rural construction are purchased by the government for products and services through competitive bidding. Local authorities have policies to restore and promote village and town enterprises to invest in agricultural production, encourage laborers who have left inefficient agricultural farms to migrate to cities to return to their localities for work (Huong, 2006)

(ii) enterprises invest in the form of public-private partnership for agricultural infrastructure projects in rural areas. The investment in the construction of new rural infrastructure is applied through the public-private partnership (PPP) model for projects with fees to recover investment capital. This is a common form that countries apply to attract private investment for rural infrastructure development. In the united states, the mobilization of enterprise capital for rural infrastructure investment is recommended through the public-private partnership (PPP) mechanism for projects that require large capital that the state budget is not sufficient to invest in and require the participation of enterprises. The rural area is a difficult area to attract investment, and the investment capital from the government budget is higher than the investment capital of enterprises. To attract enterprise investment resources into rural areas through the public-private partnership model, there needs to be regulations on investment assurance such as capital contribution ratio, risk sharing, benefit sharing... (Heinrich, 2018). In vietnam, mobilizing enterprise investment capital into rural infrastructure projects through the PPP model in localities is still very limited, and the achieved results are not promising. The list of rural infrastructure projects implemented through the public-private partnership model has not been specifically regulated. Many localities encourage domestic and foreign enterprises to directly invest in the construction of rural infrastructure, diversify investment forms such as PPP, BOT, BTO, BT (hanoi city, ho chi minh city), but the results of mobilizing capital for rural infrastructure projects are not promising, and there is a lack of solutions to attract investment through the public-private partnership model for rural infrastructure that is associated with the specific conditions of each locality. The local authorities mainly issue mechanisms and preferential policies for investment in commercial infrastructure construction, building rural market networks. The policy mechanism for PPP still lacks specific provisions for the agricultural sector. Before the law on public-private partnership investment in 2020, the legal framework for public-private partnership investment in agriculture and rural areas was not stable. The implementation of investment through the public-private partnership model in agriculture is still limited, mainly in agricultural production activities in sectors such as tea, coffee, fruits and vegetables, aquaculture, and cereals... Investment in agricultural and rural infrastructure is still limited. The participation of enterprises and producers in the public-private partnership model is still limited due to the policies on agricultural and rural infrastructure investment through the public-private partnership model still being in the process of completion, lacking guidance on the use of capital, financial issues in PPP projects in agriculture and rural areas. Many specific procedures in the implementation of PPP projects in agriculture and rural areas are subject to adjustment by different laws such as the state budget law (for the use of state budget capital in PPP projects), the public investment law (public investment capital in PPP projects), the enterprise law (activities of project enterprises), the construction law (appraisal, approval of design, cost estimation), the public debt management law (ODA loans used in PPP projects), but the consistency and uniformity between them have not been ensured.

In addition to the main forms mentioned above, financial resources mobilized from businesses can also be through mandatory contributions based on commitments made by businesses operating in the area. The method of mobilization depends on the characteristics of each locality, the agreement and commitment of businesses. Mobilizing investment resources from businesses through contracts signed with the local government to construct infrastructure projects in the area. Businesses sign contracts with the investor, self-fund the construction of infrastructure projects such as roads, offices, cultural centers, clinics, schools, markets, warehouses, ports... The investor pays the businesses after the contract is completed. This form has been common in the construction of new countryside in recent times but lacks solid foundations, which can lead to accumulated construction debts that exceed the ability to repay. Another form of mobilizing financial resources from businesses is through the specific investment mechanism of localities for small-scale, technically simple new rural construction projects designated for self-construction by the people or the community in the commune (Decree 161/2016/ND-CP). State support is only a "catalyst" to attract other resources (contributions of money, goods, land, labor... From the people and businesses). Under this specific mechanism, the people, businesses, and the state have built hundreds of thousands of square kilometers of inter-village roads, transportation routes, irrigation systems, and communal facilities. As a result, infrastructure projects in new countryside have been implemented, reducing the pressure on state budget capital, and tapping into capital sources within the community. The results of mobilizing financial resources from businesses in the period of new rural construction from 2016 to 2020 reached 5% (ministry of agriculture and rural development, 2020), and in the period of 2021-2023, it accounted for 4% of the total mobilized resources (Ministry of agriculture and rural development, 2023).

4. Financial resources from the people and the community

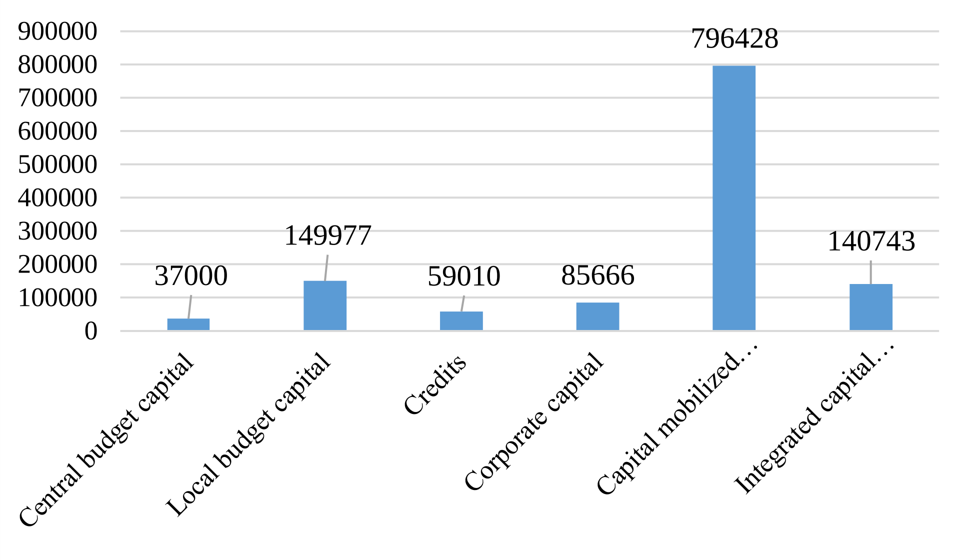
The human resources play an important role in new rural construction in many countries. In the new village movement, the mobilization of resources for the movement is carried out through the mechanism of people's participation, supported by the government. The government provides building materials (cement, steel...) To the villagers, who contribute labor to build rural infrastructure. The government support is based on the achievements and efficiency of new rural construction in each village. The people participate in the savings and reinvestment program to create capital for themselves and the community through the implementation of agricultural development projects, contributing a portion of their annual income to the village fund. In the socialist new rural construction movement in china, people participate in investing in the construction of rural infrastructure through forms such as contributing labor, cash... The majority of people in rural areas own potential resources such as wealth and labor, which can be used for credit loans, investment in land, precious metals... If appropriate policies are in place, these resources can be developed(Minzi, 2009)

In vietnam, with the state and the people working together, in addition to financial resources from the state budget, the people voluntarily contribute to the construction of the new countryside (NC) based on their ability and specific circumstances of each region and locality, without rigidly stipulating the proportion of state funding and contributions from the people. The mobilization of people's contributions must be discussed democratically and must have the consent of the people, with enhanced propaganda to help people understand and voluntarily participate" (CV 1441/TTG-KTN). Based on this principle, central and local authorities issue documents guiding the mobilization of people's contributions. The commune-level government determines the contribution targets of households based on criteria such as population size, cultivated land area, and other criteria. The provincial people's council decides on exemptions and reductions for specific targets, and the commune people's committee calculates the reduction level for each target for people to discuss and decide. The forms of people's contributions include money, goods, and labor days, which are converted into values for accounting purposes. Through this mobilization principle, localities have successfully mobilized significant resources from the people, such as binh phuoc province in the period 2016-2018, which mobilized 17,143,318 million vnd, of which the capital mobilized from the people and the community was 256,339 million vnd. Some families have voluntarily donated thousands of square meters of land, cut down crops, and demolished buildings to serve the construction of the NC. Typical examples include the family of Mr. Lieu thanh kinh (1954) in Tan Dong hamlet, Tan Thanh commune (Bu Dop), who donated over 1,000 square meters of land to build a cultural house (Trung, 2018). The family of Mr. Nguyen Van Noi in My Tan hamlet donated 6,640 square meters of land for the local authorities to build an elementary school (Phong, 2012). In Nghe Anprovince, village elder Truong Viet Van mobilized the poor ethnic minority people in tan xuan commune, with nearly 100% of the population participating in production development to escape poverty; they also mobilized people to donate land, open roads, and contribute to the construction of cultural houses. The people voluntarily donated over 4,500 square meters of land and contributed over 400 million vnd to build rural roads, and 210 million vnd to build cultural houses (Oanh, 2020).

2. Results of mobilizing financial resources for the construction of the new countryside and the issues raised

The policy of mobilizing financial resources for the construction of the NC in the period 2016-2020 has seen many innovations. The expenditure from the state budget for the construction of the NC in the period 2016-2020 reached 1,268,823.5 billion vnd, of which the central budget accounted for 37,000 billion vnd, or 3% of the total mobilized capital. The local budget accounted for 149,977 billion vnd, or 12% of the total mobilized capital. The capital from other programs and projects accounted for 140,743 billion vnd, or 11% of the total mobilized capital. At the end of the period of constructing the NC in 2016-2020, credit mobilization for the construction of the NC reached 63%, while the resources from the people and the community accounted for 8.2%. The results of mobilizing financial resources are shown in the following figure:

Figure 1: Results of mobilizing investment capital for the implementation of the NC construction program in the period 2016-2020 (unit: billion vnd)

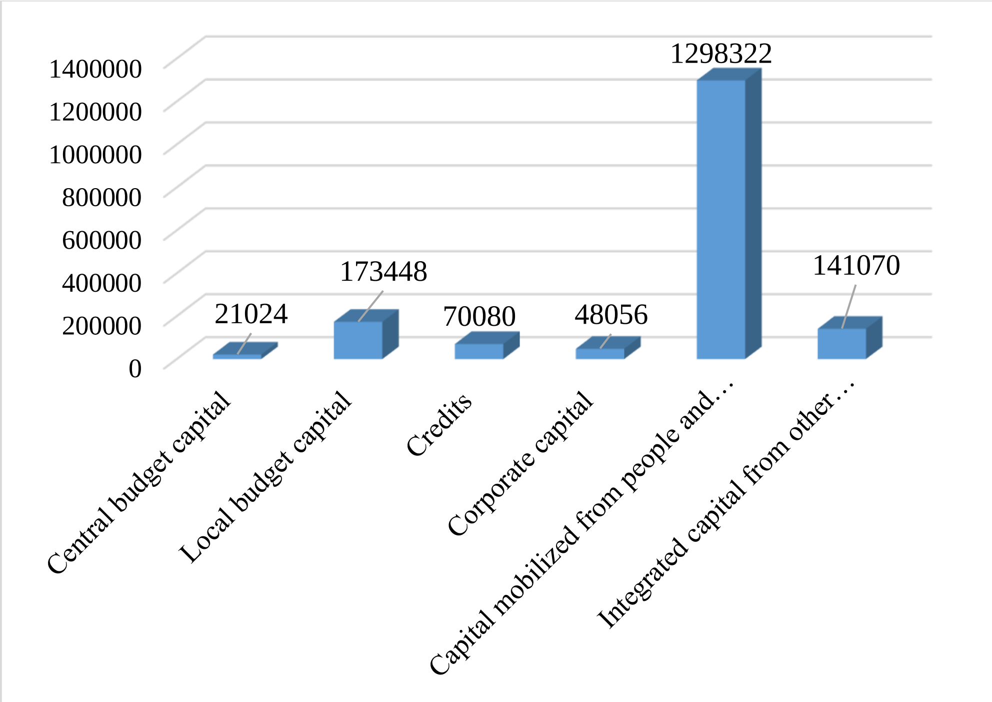


(Source: ministry of agriculture and rural development)

In the period 2016-2020, the mobilization of capital for NC construction achieved higher results compared to the previous period. Although the allocated capital from the state budget only reached about 60% of the national assembly's resolution, it was 2.3 times higher than the period 2010-2015. However, the capital mobilization ratio has a significant difference and has not reached the target set. Looking at chart 1, it can be seen that the state budget still plays a dominant role, and credit capital is at a very high level (including social policy credit provided by the state budget and commercial credit capital), while the mobilization of capital from enterprises does not show effective policies in attracting investment in NC construction. The source of credit capital is 2.2 times higher than the first period, mainly borrowed by people and businesses for large-scale production development, high-tech agriculture, aquaculture, and seafood... The mobilization of capital from people and communities has increased by 1.2 times compared to the previous period, mainly due to voluntary contributions from people in NC construction in the area.

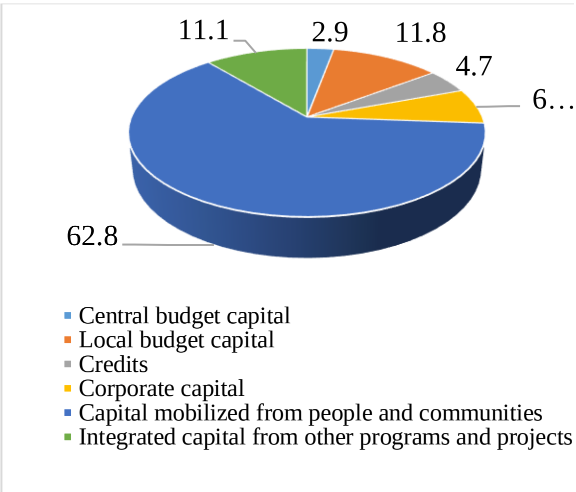
Period 2021-2025. After nearly 3 years of implementing the NC construction program in the period 2021-2025, the whole country has mobilized 1,752,000 billion vnd for program implementation. The state budget capital is 21,024 billion vnd (accounting for 1.2%), the local government budget is 173,448 billion vnd (accounting for 9.9%), capital integrated from national target programs and other projects in rural areas is 141,070 billion vnd (accounting for 8.1%). Credit capital is 1,298,322 billion (accounting for 74.1%). Cooperative economic organizations' capital is 70,080 billion vnd (4%). People and communities' voluntary contributions are 48,056 billion (accounting for 2.8%). The results of mobilizing financial resources are shown in the following figure:

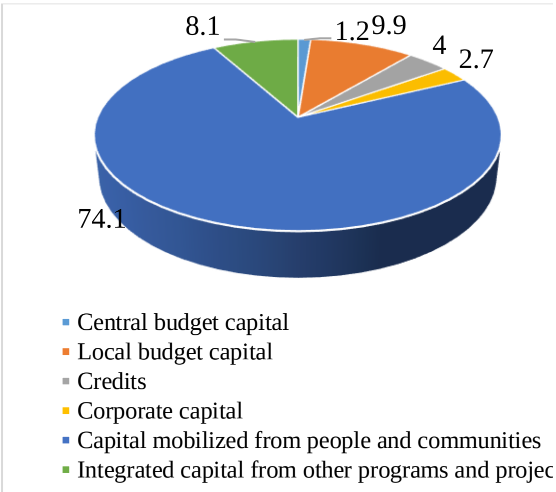
Figure 2: mobilization of financial resources for NC construction in the period 2021-2023 (unit: billion vnd)



(Source: ministry of agriculture and rural development)

From the period 2016-2023, the central budget allocated for NC construction in the period 2021-2025 is lower than the period 2016-2020 and has not met the demand. Although there have been innovations in promoting business investment, the capital for business investment in NC construction is still very limited and always accounts for a low proportion of the total mobilized resources. The mobilization of capital from the people has not increased much compared to the previous period. Credit capital is at a very high level, in just nearly 3 years (2021-2023), the mobilization from credit is more than 6.3% higher than the 5-year period (2016-2020). The results of mobilizing resources for NC construction in the period 2016-2020 and in nearly 3 years 2021-2023 are shown in the following chart:





Period 2016 - 2020 **Period 2021-2023**

(Source ministry of agriculture and rural development)

During the period 2016-2022, the state budget still plays a major role in rural development. It is necessary to determine the mechanism for mobilizing and utilizing state budget resources for rural development to become a catalyst for attracting other sources of funding. With the target of mobilizing capital from the private sector for rural development in the period 2021-2025 reaching 85%, the innovation of policies for mobilizing resources from this sector is an urgent requirement. Credit capital is always at the highest level, including state credit from the state budget. The inability to separate state credit capital and commercial credit capital is also a limitation in evaluating policy implementation. Borrowing capital from commercial banks and credit institutions will be constrained by regulations on loan terms, interest rates, and loan conditions of banks, making it difficult for people and businesses to access investment capital for rural construction projects. Business capital in the stages of rural development is always at the lowest level, reflecting that businesses have not prioritized investing in rural areas. The contribution of the people is voluntary and not mandatory, and the exploitation of the potential and role of different entities in the community participating in rural development is still limited. The result of mobilizing resources from the people increases in the initial stage and tends to decrease without appropriate solutions.

3. Suggestions

3.1. Mobilizing financial resources from the state budget for rural development.

To mobilize and effectively utilize state budget resources for the construction of new countryside (NC), it is necessary to further study and supplement specific regulations on the content of state budget investment for NC construction in the state budget law 2015. Specific decentralization regulations for local authorities in allocating resources for NC construction should be established, ensuring a reasonable distribution of revenue between the central and local levels, and assigning the provincial people's council to regulate local budget expenditures for NC construction to adapt during the implementation process. In the context of limited increase in state budget revenue, but significant pressure on expenditure, state budget resources for NC construction are limited to generate revenue for local budgets for NC construction. Therefore, it is necessary to review the system of tax and fee policies related to real estate, especially regulations on real estate tax, agricultural land use tax, non-agricultural land use tax, and revenue related to resources and public assets. Continue implementing policies to exempt and reduce agricultural land use tax for farmers to encourage agricultural production. Adjust non-agricultural land use tax policies appropriately to increase revenue for the budget. Enhance capital mobilization through the stock market, government bond market, and proactively meet capital needs for NC construction. Review and reform the process, procedures for budget estimation, execution, and settlement for NC expenditure to allocate sufficient and timely funding for NC construction. Gradually reduce subsidies and support and replace them with investment policies for rural development areas. Credit capital from the state budget allocated for NC construction needs to be transferred to state budget funds when determining the structure of mobilized capital.

3.2. Mobilizing credit capital for NC construction.

To expand credit capital for agriculture and rural areas, it is necessary to supplement mechanisms for preferential credit loans for enterprises using high technology in production, processing of forestry products, organic agriculture, and increase the loan limit without collateral for individuals and households engaged in agricultural production to timely meet the capital needs of the people and contribute to limiting their reliance on other sources of capital. It is recommended to integrate social credit programs into public investment decisions, effectively integrate and coordinate between social credit programs and NC construction projects. Expand the scope of lending for investment in industry, services, production and business activities in agriculture and rural areas, NC construction projects, agricultural enterprises applying high technology, organic agriculture, and model farms employing a large number of laborers.

To mobilize, manage, and effectively use the state credit capital provided to social policy banks and banks with the task of implementing credit support mechanisms for policy beneficiaries, the state needs to restructure the functions and tasks of these organizations according to market mechanisms to increase operational efficiency. Expand the target audience of social policy banks in providing credit capital for production and business activities in rural areas, preferential credit for localities that perform well in building new countryside, and receive more loans from state credit sources. Regulate the state's guarantee mechanism for credit for investment in new rural construction, loan procedures, collateral assets and loan amounts, loan terms, loan security mechanisms, interest rates for loans, risk management when investing in construction projects and new countryside projects. In the long term, the policy of mobilizing credit capital for investment in new rural construction needs to integrate regulations on commercial credit, state credit (credit from social policy banks, development investment credit) to concentrate and enhance the efficiency of mobilizing and using credit capital for new rural construction.

3.3. Mobilizing financial resources for new countryside construction enterprises

To promote enterprise investment in new rural construction, it is necessary to supplement regulations on forms of investment support, infrastructure development support, human resource development support, credit support, access to production and business premises, scientific and technological support, market development support. There should be policies to promote the development of organic agriculture to exploit the economic benefits when investing in organic agriculture production as organic agriculture products bring high economic value, have many advantages, and are suitable for small-scale agricultural production without conditions for expanding land scale or slow in promoting land accumulation. Developing organic agriculture will promote the development of the agricultural economy, form many small and medium-sized agricultural enterprises at the local level, create jobs and income for workers, attract trained young workers with creative abilities, apply technology to produce high-quality products, and limit migration to urban areas.

Attracting businesses to invest through the public-private partnership method in the NC project. The nature of NC projects requires large capital but is difficult to attract investment from the private sector due to the difficult rural areas, outdated infrastructure, low profitability, and long payback period. To attract businesses to invest through the public-private partnership method, the necessary policies include: building a list of investment projects associated with NC construction criteria for investors to choose, especially criteria for agricultural and rural infrastructure (electricity, clean water, transportation, production infrastructure, warehouses...) That require large capital that the state does not have enough to invest, and businesses do not have the ability to implement the contract on their own. Investors implementing the public-private partnership method in agriculture, rural areas, and NC construction will enjoy incentives regarding land (exemption, reduction of land rent, accumulation of land for the application of scientific and technological advances), credit, insurance, rural infrastructure investment, human resource training... And other preferential policies. Regulations on ensuring the interests, risk sharing, and responsibilities of the parties in implementing contracts, ensuring the participation of businesses in state-funded NC projects. For rural infrastructure projects directly related to people's lives such as clean water, environmental sanitation... It is necessary to study the mechanism of higher state capital contribution than the capital contribution of businesses. In addition, to attract investment in agriculture and rural areas, linked to NC construction in the present and future, it is necessary to study policies of capital contribution through land use rights of farmers, such as contributing capital shares to businesses and businesses contributing capital through land use rights through partnerships with other businesses. Issuing policies to encourage concentrated land accumulation for large-scale agriculture production, applying advanced technology to achieve high economic efficiency.

3.5. Mobilizing resources from the people and the community to build the new countryside.

The policy of mobilizing contributions from the people and the community for the construction of new countryside needs to be institutionalized into specific legal provisions for implementation. In which, regulations on the subjects of mobilization, principles of voluntary contributions from the people through forms of encouragement and compulsory encouragement for certain specific NC projects and works. Forms of contribution to NC construction include money, assets (including intellectual property, scientific and technological innovations...), labor days, land donation for road construction... Non-refundable aid money, assets, and goods from individuals and the international community. Regulations on the organization of collection, management, use, settlement, and public disclosure of contributions from the people and the community for investment in NC construction.

This research aims to supplement regulations on mobilizing people to invest in infrastructure projects under the new countryside program through credit mechanisms (credit mechanisms) through issuing bonds (project bonds, government bonds, local government bonds) or direct investment in projects, new countryside projects with fees to recover capital. Private sector can purchase investment bonds for construction of new countryside infrastructure through the form of issuing local government bonds through mobilization policies, calculating the total capital to be mobilized, bond issuance form, local bond interest rate, list of projects, new countryside projects using local investment bonds. In addition, it is necessary to build, review, and supplement simple investment mechanisms for people to participate in the construction of new countryside projects from the stage of project planning and implementation, monitoring, project implementation inspection, and project settlement. Small construction projects serving the interests of the community should be implemented by villages, communes.Besides, investment lists and investment plans suitable for the financial capacity of the community should be announced to mobilize people to participate.

In conclusion, mobilizing financial resources for new countryside depends on many factors. To achieve the goal of mobilizing financial resources for new countryside, the participation of the state and the whole society is required. There’s a need to improve the system, policies for mobilizing financial resources from the state budget to attract other capital sources, mobilize the participation of people. In addition, the community, applying the public-private partnership model, are solutions to mobilize financial resources for sustainable long-term new countryside in Vietnam.

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