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Policies to mobilize financial resources from corporates to develop the new countryside in Vietnam

By

Ph.D Nguyen Thi Hoang Yen
University of Labour and Social Affairs

Corresponding email: nguyenhoangyen1972ulsa@gmail.com

ABSTRACT:

Over the past years in Vietnam, corporates have been identified as a key and essential source for mobilizing investments in building a New Countryside (NC). The Party and the State have implemented preferential policies regarding finance, land, taxation, and credit to encourage corporates to invest in agriculture and rural areas. The mobilization of financial resources from corporates for NC construction over the past decade has significantly contributed to infrastructure development, rural economic growth, and assisted localities in meeting NC construction criteria. However, the financial resources mobilized from corporates for NC construction remain limited, with a low mobilization rate compared to other sources. Despite comprehensive policies to incentivize corporates to invest in agriculture and rural areas, corporates are still hesitant to do so. Barriers still exist in institutions, policies, and incentives for mobilizing resources and encouraging corporates to invest in agriculture and rural areas. Investing in agriculture and rural areas carries inherent risks due to the dependence of agricultural products on natural conditions, underdeveloped rural infrastructure, low profit margins, and slow capital recovery. This has affected the results of mobilizing financial resources from corporates for NC construction, necessitating innovative policies aligned with practical realities to enhance investment efficiency for corporates. This article examines the issue of mobilizing financial resources from corporates for NC construction and proposes solutions for improvement.

KEYWORDS:

Policy, new countryside, financial resources, mobilizing corporate capital.

1. Introduction

The New Countryside (NC) initiative aims to transform rural areas into more advanced and progressive communities. It eliminates poverty and backwardness, fostering modernization and a more civilized way of life. Financial resources are crucial for achieving this goal, and corporates play a key role.The government has implemented policies to mobilize financial resources from corporates, organizations, and individuals. These funds are then invested in agriculture, rural areas, and NC construction. This approach has significantly contributed to infrastructure development, agricultural production, services, and improving the investment climate in rural areas. As a result, rural economic development and innovation have accelerated, leading to an improved quality of life for the people.

Many studies in Vietnam have explored the NC concept and how to mobilize financial resources for its construction. These studies have clarified the nature and characteristics of the NC, as well as the financial resources needed. They have also proposed specific solutions for mobilizing these resources.

The concept of the NC has been defined in various ways, for example, "Nông thôn mới là một trạng thái phát triển cao, toàn diện của xã hội nông thôn, kết hợp đầy đủ các khía cạnh từ kinh tế, sản xuất tới phát triển văn hóa, giáo dục, môi trường, kết cấu hạ tầng kinh tế- xã hội và hệ thống chính trị" [The NC is a high and comprehensive state of development in rural society, combining all aspects from economy and production to cultural, educational, environmental, socio-economic infrastructure development, and the political system.] (Dung et al., 2015). Looney (2012) described NC construction as a policy to eliminate the backward rural model of the past to build a new rural model with developed socio-economic conditions and increasing incomes of the people. From a similar perspective, Le (2016) claimed "Nông thôn mới là nông thôn với những tiêu chí nhận diện cụ thể, tiến bộ về kinh tế, chính trị, xã hội; là kết quả quá trình cải biến nông thôn từ tình trạng nghèo nàn lạc hậu sang văn minh, hiện đại và phát triển" [the NC is a rural area with specific identification criteria, advanced in terms of economy, politics, and society; it is the result of the process of transforming rural areas from poverty and backwardness to civilization, modernity, and development]. According to the OECD, "the new countryside is not synonymous with agriculture, nor does it mean a stagnant economy" (OECD, 2006).Cu (2006) in his work "Policies for Building the Socialist New Countryside in China" expressed the view that"Nông thôn mới trước hết không phải là nông thôn cũ" [the countryside is not the old countryside]. Similarly, Vu et al. (2015) pointed out that NC construction aims to create new values for Vietnamese rural areas.

To achieve these goals, NC construction in various countries requires substantial financial resources. With vast territories and large populations, mobilizing and developing resources can leverage these assets to drive growth and development in rural areas and the national economy as a whole.

The practice of NC construction across various countries reveals that financial resources are primarily mobilized from the following sources: central budget capital, credit capital, corporate capital (or corporate capital), and contributions from individuals and communities. Financial resources from corporates are considered a crucial and untapped potential for achieving sustainable rural development. These resources include money and convertible assets that can be used to support stable investment and production activities, pay for investments and capital, and contribute to a vital currency fund that promotes economic development and investments in critical social areas.

Researchers studying investment sources and capital mobilization for building a socialist New Countryside (NC) in China emphasize the importance of contributions from both individuals and corporates. They argue that mobilizing investment capital for NC construction involves not just state investment, but also donations from various social groups, especially industrial and commercial corporates (Cu, 2006). Similarly, "Investing in Rural America" by Heinrich (2018) highlights the role of corporates in NC construction. The book acknowledges the government's significant role in rural development, but argues that relying solely on state funds is not feasible due to the vast investment needs of this sector. A combination of government and corporate investment is seen as more effective for rural development in the United States. Corporate involvement is particularly crucial for investing in agricultural and rural infrastructure. This stimulates economic development, improves livelihoods for local people, and creates new jobs, especially high-paying ones in manufacturing and construction. Increased incomes allow people to reinvest in the local economy, making rural areas more attractive to both residents and businesses.Mobilizing corporate capital for rural infrastructure investment is essential for several reasons. It reduces the burden on the government budget, lowers investment costs for corporates, and makes rural areas more attractive. A priority solution chosen by many countries for sustainable rural development is mobilizing financial resources from corporates for NC construction under a public-private partnership model.

Financial resources are just as crucial for rural development as land and human resources. Mobilized from corporates for NC construction, they encompass both physical and financial resources. This includes the value of assets, money, labor, investments in NC projects, and any financial support, donations, and contributions corporates make to NC construction in the locality.

Capital mobilization is carried out through policies, measures, and forms implemented by the state and social organizations. These initiatives aim to transform potential resources into funds that can be used for NC construction (Doan et al., 2017). Capital mobilization activities have successfully attracted capital from domestic and foreign corporates, as well as corporates from all economic sectors. These funds are then invested in production and business activities, and NC infrastructure. Capital mobilization also allows the state to gather and promote the role and responsibility of corporates to participate in investment and contribute resources.

Furthermore, mobilizing financial resources from corporates helps promote innovation and improvement of institutions and policies for mobilizing corporate capital for NC construction. Effective policies will attract large-scale capital to change the infrastructure structure in accordance with the requirements of economic transformation in rural areas and fulfill important criteria in NC construction.

When corporates invest financial resources in rural development, rural workers have the opportunity to be trained, improve their qualifications, and become knowledgeable farmers, ultimately helping farmers to become wealthier.Policies on mobilizing financial resources from corporates for NC construction are a set of measures, policies, and forms used by the state to gather resources in the form of money, assets, and labor to invest in projects according to NC criteria.

Financial resources mobilized from corporates for NC construction include investment capital for projects with the direct capital recovery ability, capital that corporates support, sponsor, donate, and contribute according to their commitments in the locality. Corporates investing in projects with the ability to directly recover capital can borrow credit capital for investment and development from the state and localities. They can also receive support from the state budget after investment and enjoy investment incentives according to legal regulations (Decision 1600/Decision-TTg).

In conclusion, the unique characteristic of NC construction in Vietnam involves the state and the people working together to mobilize financial resources from corporates and individuals. This approach encourages the private sector to participate alongside the state in building a sustainable New Countryside.

2. Methodology

The researcher primarily employed a desk research approach to systematically organize and synthesize preferential policies that attract corporates to invest in rural areas. The author also collected and analyzed data on financial resources invested and contributed by corporates for New Countryside (NC) construction between 2016 and 2023.

Through data collection, statistical analysis, and comparison, the study aimed to identify and clarify policies that encourage corporates to invest in NC construction as well as assess the effectiveness of mechanisms for mobilizing and contributing resources. The study referenced policies for mobilizing financial resources from corporates to invest in and support NC construction, primarily from Asian countries such as South Korea, China, and Japan, as well as developed countries like Australia and the United States with successful agricultural corporate models. The study seeks to draw lessons that could be applied in Vietnam.Data on financial resource mobilization were presented in tabular form, analyzed, and illustrated using charts. The data was collected and calculated using Excel software.

Based on the analysis of theoretical and practical policies, as well as the results of mobilizing financial resources from corporates for NC construction, the author proposed a number of measures for improvement.

3. Results

3.1. Policies to mobilize financial resources from corporates for the development of new countryside.

3.1.1. Policies to mobilize financial resources from corporates for the development of agriculture

The revisions to the National Criteria for the New Countryside (NC) construction during the period of 2016 to 2020 placed a stronger emphasis on promoting agricultural production, leveraging traditional strengths and applying science and technology alongside a market economy. This approach aimed to generate resources that could fuel rural economic development and the overall construction of a New Countryside.

A key policy initiative during this period was Decree No. 57/2018/NĐ-CP. This decree focused on encouraging corporate investment in agriculture and rural areas. The decree included specific provisions designed to maximize corporate participation. Corporates could implement projects based on established state support levels and receive additional support after project completion. They also benefited from investment incentives such as tax breaks, reduced fees, and streamlined administrative procedures. In some cases, corporates even received a portion of their investment costs covered or compensation for interest rate differentials.

The decree also outlined specific investment incentives for corporates. Corporates with agricultural projects, particularly those receiving preferential investment, investment incentives, or investment encouragement, could qualify for special land use considerations. If the state assigned land for these projects, or if land use needed to be changed for employee housing, the corporates would be exempt from land use conversion fees and land use fees for those designated areas.

Beyond these incentives, corporates with investment in rural areas also received post-investment support from local budgets. This support helped offset commercial interest rates after project completion. The specific level of support equaled the difference between commercial lending rates and preferential investment state credit rates, calculated on the actual outstanding balance at the time the support application was reviewed.Corporates could receive assistance with research, technology transfer, and application of high-tech agriculture. Training for human resources, market development, infrastructure investment, and the provision of public services and infrastructure investment were also included in the support package.

In addition to central government support, local governments also issued their own specific policies to further encourage corporate investment in rural areas. These preferential policies resulted in the number of corporates investing in rural areas increased rapidly. Only between 2018 and 2019, the number of corporates involved in agriculture tripled, rising from over 3,000 to 11,000. Cooperatives also experienced strong growth during the 2016-2020 NC construction period, with an average increase of 2,000 cooperatives per year.

However, despite these positive developments, the number of corporates investing in rural areas remains modest as of 2023. There are only over 50,000 corporates currently invested in agriculture, out of a total of over 900,000 active corporates according to the Ministry of Agriculture and Rural Development.

Decree No. 116/2017/NĐ-CP of the Government dated September 7, 2018, amending and supplementing Decree No. 55/2015/NĐ-CP, provides numerous credit incentives for rural areas. It increases the loan limit for farmers without collateral, and adds incentives to encourage corporates to develop high-tech agriculture. Credit institutions are allowed to consider loans for customers without collateral up to a maximum of 70% of the project value. The decree also allows customers to use assets generated from the project's loan capital and high-tech agricultural production and business plans as collateral.In addition to Decree No. 116/2017/NĐ-CP, other policies have been issued to create favorable conditions and support mechanisms for corporates:Agricultural insurance policies (Decree No. 58/2018/NĐ-CP), Policies encouraging cooperation and linkage in the production and consumption of agricultural products (Decree No. 98/2018/NĐ-CP), Development of rural industries (Decree No. 52/2018/NĐ-CP). In 2018, the Government issued Decree No. 109/2018/NĐ-CP on organic agriculture, which stipulates policies to encourage its development: (i) Priority funding for scientific research and agricultural extension to implement research topics and special agricultural extension projects on disease-resistant varieties, organic fertilizers, biological plant protection products, and herbal veterinary drugs. (ii) Producers and traders of organic products or inputs for organic production are prioritized to benefit from investment incentive policies. (iii) 100% support for costs related to identifying eligible land areas and the first (or re-issued) granting of certificates for qualified organic products.

The number of corporates manufacturingorganic agricultural products in localities has increased. As of 2022, there were approximately 240,000 hectares of organic farming nationwide, with nearly 20,000 workers in 46 provinces and cities. There are about 160 corporates producing and trading organic agricultural products with an annual export turnover of approximately USD 335 million, ranking 8th among the top 10 countries with OA area in Asia. Organic products are consumed domestically and exported to major international markets such as Japan, the UK, the US, and South Korea. (Nguyen et al., 2023)

In countries with a highly developed agricultural and rural sector, such as the United States, agriculture receives significant support from advanced science and technology and government policies. Through government support policies such as land policies, agricultural subsidies, and agricultural product exports, the US agricultural sector has developed into a "business of agriculture" that contributes to the growth of rural areas and the national economy (US Department of Agriculture, n.d.). The business model of agriculture in the US is characterized by large corporations, agricultural corporates, and farms that have evolved from family farms into large-scale agricultural production corporates, corporations, and multinational companies (US Department of Agriculture, n.d.).Australia is also a country that has been organizing organic agriculture for a long time. In 1992, Australia issued the National Standard for Organic and Biological Agricultural Products, providing a legal framework for the production, processing, transport, labeling, and import of organic agricultural products (Australian Government Department of Agriculture and Water Resources, 1992). This standard has been amended many times to facilitate the development of organic agricultural production that brings high economic value (Australian Government Department of Agriculture and Water Resources, 1992).To promote investment in rural areas, some countries such as South Korea, Thailand, Malaysia, and Indonesia have increased incentives for corporate income tax, tax incentives for investment activities, land policies, credit, and the development of smart agriculture models (see, e.g., Senat Republik Indonesia, 2019).

Based on the determination of the leading role of corporates in New Countryside (NC) construction, the government implements policies to exempt agricultural taxes for businesses investing in agriculture. Corporates receive support in accessing investment capital, particularly through bank credit. Businesses that establish rural welfare funds will receive tax reductions, with the highest rate being 12% of annual profits (Vu et al., 2015). The policy aims to attract investment from non-state economic sectors, foster entrepreneurial spirit by enhancing capital accessibility, and encourage other non-state economic entities through federal funding for local businesses. Establishing businesses in rural communities has helped attract rural labor and limit migration to urban areas (Heinrich, 2018).

3.1.2. Policies to mobilize financial resources to develop rural infrastructure

Besides direct funding sources for rural areas from the state budget, attracting business investment into rural areas through preferential policies, and financial institutions, countries have policies to mobilize financial resources through public-private partnership (PPP) arrangements. These arrangements primarily take the following forms: Concession Agreements, Build-Operate-Transfer, Build-Transfer-Operate, and Build-Transfer,…In Vietnam, the PPP model has been implemented for nearly 30 years, primarily in transportation infrastructure and agricultural development. The use of PPP model in developing agriculture and contryside is still not popular. Investment in infrastructure for agriculture and rural areasin general, and the New Countryside Development Program in particular, in Vietnam are conducted through the following main forms:

Firstly, the Public-Private Partnership (PPP) method.

The policy of mobilizing financial resources for investment under the Public-Private Partnership method has had a positive impact on fulfilling the criteria for building the new countryside program. However, PPP in agriculture mainly occurs in agricultural production activities in sectors like tea, coffee, vegetables, fruits, seafood, cereals, etc. Investment in agricultural and rural infrastructure remains limited, while the investment capital for NN, NT infrastructure is substantial. In new countryside construction, the PPP model is applied to projects with tolls to recover investment capital (Decision 1600/QD-TTg). Many localities encourage domestic and foreign corporates to directly invest in the construction of rural infrastructure, diversifying investment forms such as PPP, BOT, BTO, BT (Hanoi City, Ho Chi Minh City). However, the results of mobilizing capital for new countryside infrastructure projects are not yet promising. There is a lack of solutions to attract investment under the PPP model for new countryside infrastructure that consider the specific conditions of each locality. Local authorities mainly promulgate mechanisms and policies offering preferential treatment for investment in the construction of commercial infrastructure and the development of a network of rural markets. The PPP mechanism and policy need to have specific regulations for the agricultural sector.

Secondly, mobilizing corporates to make mandatory contributions according to their commitments.

Corporates operating in the locality, which benefit from the new countryside program, are responsible for contributing to the development of the new countryside. Local corporates contribute, support, and sponsor financial resources to build new countryside projects and works according to the agreement and commitment of the corporate. The contribution of corporates in this form is a channel to supplement financial resources for new countryside construction, depending largely on the conditions and capabilities of corporates and the advocacy and mobilization of localities.

Thirdly, mobilizing direct investment capital for new countryside projects and works.

This is done by signing contracts with investors of new countryside projects in the locality to build new countryside infrastructure such as roads, offices, cultural houses, medical stations, schools, markets, warehouses, wharves, etc.

Fourthly, mobilizing corporates to invest under the special investment mechanism for projects under the National Target Program on New Countryside Development.

This applies to small-scale projects with simple techniques. Localities are allowed to apply the special investment mechanism. To implement such projects, it is only necessary to make a simple budget and assign the people or the community in the commune to do it themselves (Decree 161/2016/ND-CP). There have been many typical models mobilizing the participation of people, corporates, and economic organizations to participate in part or all of the project implemented in many localities.Under this special mechanism, people, businesses, and the government have built hundreds of thousands of square kilometers of inter-village roads, traffic roads, irrigation systems, and internal roads for the new countryside (NC) program. As a result, NC infrastructure projects have been implemented in many localities, reducing pressure on the national budget and utilizing capital from both people and businesses.

In addition, to encourage the private sector to invest in agriculture and rural areas, the government also issued a socialized incentive policy with incentives and preferences for land, taxes and budget collection, investment credit, and post-investment support. Investment entities are allowed to mobilize capital from organizations and individuals (mobilizing capital in the form of share contributions, capital contributions from employees in the unit and other legal sources) to invest in infrastructure and repay mobilized capital according to the agreement, mobilized interest in the form of loans is accounted for in the expenses of the socialized entity. This policy has promoted the mobilization of capital from the private sector to invest in NC projects and works, improving project efficiency and reducing the burden on the national budget.

Author Heinrich (2018), in his research, emphasized the role of the public and private sectors, the combination of investment from these two sectors to develop rural infrastructure in the United States. Pointing out the importance of infrastructure investment for rural development, he recommends that rural development investment should prioritize infrastructure to stimulate economic development and improve livelihoods for people. Mobilizing financial resources from the private sector is necessary to reduce the burden on the national budget and reduce investment costs for businesses, making rural areas more attractive to people and businesses. The recommended method of mobilizing corporate capital to invest in rural infrastructure is through the public-private partnership mechanism. Rural people have lower incomes than urban people, so investing in rural areas based solely or largely on corporate investment or all state budget capital will be difficult to achieve the target. The combination of mobilizing state capital and private capital is the solution that countries prioritize to solve the problem of mobilizing financial resources for rural areas. Investment in rural infrastructure, especially projects and works directly related to people, is recommended to have a higher financial source from the state budget than the investment capital from businesses. The issuance of a policy on mobilizing financial resources from corporates under the public-private partnership model with specific and clear regulations is a commitment and guarantee of the state in rural infrastructure projects involving the private sector.

3.1.3. Overall Assessment of the Policy on Mobilizing Corporates' Financial Resources

The system of preferential policies encouraging corporates to invest in NN, NT has been issued quite comprehensively. However, the fact that many incentives and state budget support for corporates are stipulated in different documents has inevitably led to overlaps and difficulties in application, which may reduce the competitive motivation of corporates. Preferential and supportive policies are not yet tailored to the specificities of each region, and are not strong and attractive enough for corporates to invest in NN, NT. The limitation of support resources in the context of difficult budget balancing, along with the difficult-to-access support procedures, have led to some support and investment incentive policies not yet being put into practice.

In addition to the lack of instructions on the use of capital, financial issues in PPP projects in NN, NT, legal documents governing the public-private partnership relationship are often unstable. There are specific procedures in the implementation process of PPP projects in NN, NT that are subject to the regulation of different Laws such as the State Budget Law (for the use of state budget capital to participate in PPP projects), the Law on Public Investment (public investment capital in PPP projects), the Law on Corporates (activities of project corporates), the Law on Construction (appraisal and approval of design and estimates), the Law on Public Debt Management (ODA loan capital used in PPP projects), which need specific instructions for implementation.

3.2. Results of mobilizing financial resources from corporates for new countryside construction and issues raised

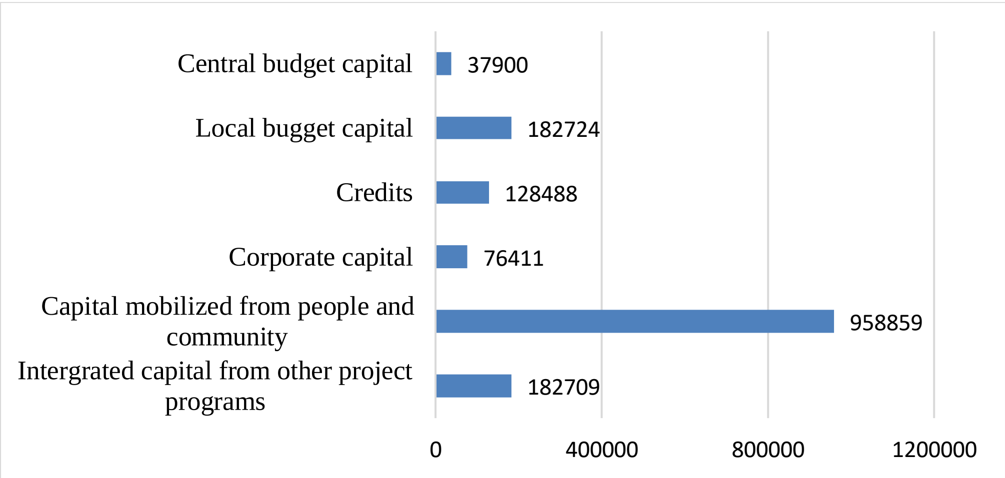
The policy of mobilizing financial resources from corporates for new countryside (NC) construction in the past has achieved certain positive results. Many corporates have paid attention to investing in agriculture and rural areas, continuing to contribute money and assets to the construction of NC works and projects, actively contributing to the implementation of the national NC construction program.

At the end of the 2016-2020 NC construction phase, the financial resources mobilized from corporates reached 76,411 billion VND, accounting for about 4% of the total capital mobilized from all sources nationwide, reaching 1,567,091 billion VND. Compared to the 2011-2015 period, the financial resources of corporates invested in NC construction reached 42,198 billion VND, accounting for 5% of the total capital mobilized from all sources nationwide, reaching 851,380 billion VND (Ministry of Agriculture and Rural Development).

Comparing the two phases, the total mobilized resources for the implementation of the National Target Program on New Rural Development in the period 2016 - 2019 increased 1.84 times compared to the period 2010 - 2015. However, in terms of the mobilization results of each source of capital, the mobilization from corporates did not increase compared to the previous period. The main increase came from credit sources and the state budget supplemented for investment in NC construction

It can be seen that although the incentive policies to attract corporates to invest in this phase have been supplemented and adjusted more fully, the mobilization results are still limited and not attractive enough for corporates. The results of mobilizing financial resources from corporates in the period 2016-2020 compared to the total capital mobilized for NC construction are shown in the following figure:

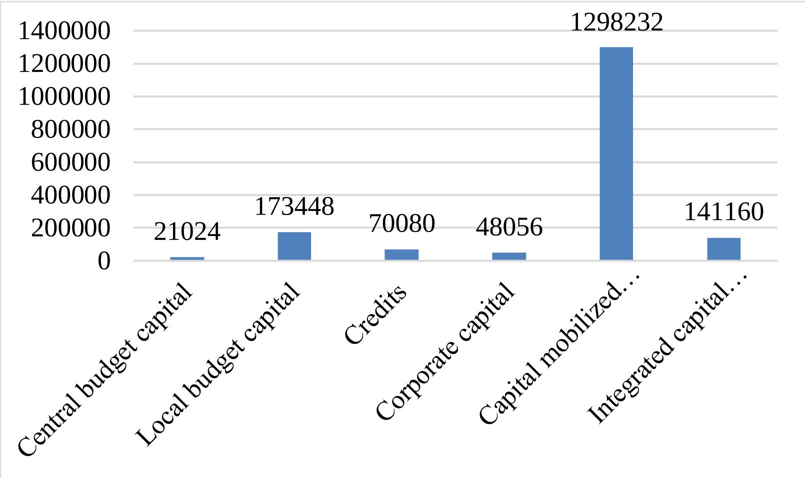
Figure 1: Results of mobilizing corporate capital for new countryside (NC) construction in the period 2016-2020 compared to the total mobilized capital



(Source: Ministry of Agriculture and Rural Development)

During the 2021-2025 period, a total of 1,752,000 billion VND was mobilized nationwide to implement the program. Central government budget served as "seed capital," directly supporting program implementation, accounting for around 1.2%. Local budgets at all levels contributed 9.9%, with integrated capital from national target programs and other programs/projects in rural areas reaching 8.1%. Credit capital made up the largest share at 74.1%, followed by capital from corporates, cooperatives, and economic organizations (4.0%). Voluntary contributions from people and communities amounted to 2.8%.Encouraged by policies promoting corporate investment in agriculture and rural areas, there have been initial positive changes in corporate investment. Businesses and production facilities have invested in developing production to create strong local products, gradually establishing their value and quality in the market.

Figure 2: Financial resources from corporates for new countryside (NC) construction in the period 2021-2023 compared to the total mobilized capital (Unit: Billion VND)



(Source: Ministry of Agriculture and Rural Development)

The results of mobilizing financial resources from corporatesshow that despite the government issuing many incentive policies, the proportion of investment capital from corporates remains low compared to the target, investment needs, and the potential of the corporates themselves. The contribution of corporates has not increased significantly, including financial contributions pledged by local corporates. Corporates investing in rural areas are mainly small and medium-sized. In localities with favorable conditions, a developed economy, and invested infrastructure, attracting corporate investment is easier than in localities with less developed economies, where people's lives are difficult, budget revenue is low, and localities still rely on support from the central budget. Therefore, mobilizing investment from corporates in these areas is more difficult.

Overall assessment: The policy of mobilizing financial resources from corporates for building the new countryside (NC) in Vietnam has achieved certain results in the past. This has gradually created a foundation for completing the legal system for mobilizing investment resources for NC construction. Investments and contributions from corporates have helped the government achieve the current goal of building the new countryside and are gradually becoming the main and sustainable resource in the future.Through the financial resources mobilization policy, many large corporates and economic groups have studied and invested in rural areas, providing financial and asset support for the NC program. Corporate investment in rural areas has helped improve infrastructure systems, promote production development, businesses, services, create jobs, increase people's income, and help localities reach NC standards.

However, besides the achieved results, the financial resources mobilization policy for corporates still has limitations. It's not yet fully applied in practice. Administrative procedures are still cumbersome, making it difficult for corporates to access. Many policies are slow to be renewed and implemented.There is still a lack of specific mechanisms to encourage corporates to invest in NC construction, especially investment under the public-private partnership model. Incentives and encouragements for corporates to invest haven't fully considered the characteristics of regions and agricultural products.In difficult localities with poor infrastructure, low income, high poverty rate, and underdeveloped economy, mobilizing corporates to invest and contribute to NC construction faces many difficulties and lacks sustainability.Corporates need a commitment to support and ensure safety when investing in agriculture and rural areas. They also need easier access to administrative procedures, credit loans, and benefit sharing while reducing risks when participating in investment under the public-private partnership model in agriculture and rural areas.

4. Proposed solutions

Given the opportunities and challenges facing Vietnamese agriculture and rural areas in the context of urbanization, globalization, and NC construction, the active and proactive participation of corporates is crucial.Breakthrough policies are needed to attract investment from corporates, especially large leading corporates.The policy of mobilizing financial resources from corporates for sustainable NC construction should focus on the following fundamental solutions:

Firstly, review and systematize policies on incentives and support for corporates investing in agriculture and rural areas to minimize policy conflicts and ensure that corporates investing in agriculture and rural areas receive concentrated support from the state budget.Abolish outdated policies that are not applicable in practice, reform administrative procedures to facilitate corporates in applying policies.Promptly implement preferential policies and support for land use for corporates investing in agriculture and rural areas in accordance with the new Land Law.

There is a need to promptly issue a revised decree amending Decree 57/2018/ND-CP. This revised decree should supplement regulations on various forms of support for corporates. This includes investment incentives for high-tech corporates and environmentally friendly corporates. Additionally, it should encompass support for corporates in accessing public services provided by the state. Furthermore, it is crucial to establish systems for production, processing, and product distribution channels to reach the market. This should be accompanied by support for infrastructure development, human resource development, access to credit and production/business land. Government policies should also include support for science and technology, technological advancements, and market development initiatives. Regulations on preferential interest rate subsidy policies, support for small and medium-sized corporates (SMEs), and cooperatives are necessary. Exemption and reduction of land use fees and land rent for projects should be implemented. It is also important to adjust the support policy for organic agriculture. New legal policies promoting and supporting NNHC are needed. This includes a land allocation mechanism and incentives to encourage organic agriculture development. The goal is to create a legal framework that fosters the development of organic agriculture production and business. This will encourage corporates, cooperatives, economic groups, households, and individuals to invest in this model. A well-designed policy to attract investment in organic agriculture will unlock the economic benefits of organic agricultural production. organic agriculture products offer high economic value and possess several advantages. They are well-suited for small-scale agricultural production, where expanding landholdings might not be feasible, and land consolidation processes are slow. Developing organic agriculture will promote the growth of the farm economy and foster the establishment of many small and medium-sized agricultural corporates within localities. This will create jobs and generate income for workers. Moreover, the organic agriculture development policy can be instrumental in attracting young, skilled workers. These workers can contribute their creativity and technological expertise to create high-quality products, ultimately reducing migration to urban areas.

Secondly, To attract corporate investment in NC infrastructure projects and high-tech agricultural development aimed at smart agriculture, it is necessary to promulgate guiding documents for Public-Private Partnership (PPP) investment in the agriculture and rural sector. These guiding documents should encompass PPP models for scientific research and technological innovation in agriculture. Additionally, they should supplement the list of NC projects and works eligible for PPP investment in agriculture and rural areas. For NC projects with user fees designed for capital recovery and potential profit generation, the BOT (Build-Operate-Transfer) contract form should be applied. Accordingly, a comprehensive list of investment projects and works linked to NC construction criteria should be established for investor selection. This list should particularly emphasize projects requiring significant capital investment in agricultural and rural infrastructure (electricity, clean water, roads, production facilities, warehouses, etc.) where state budget limitations hinder sole government investment and corporates lack the capacity for independent project execution. Investors implementing the PPP model in agriculture, rural areas, and NC construction will be entitled to various incentives. These include land incentives (exemption or reduction of land rent, land consolidation for applying science and technology), credit, insurance, investment in rural infrastructure, human resource training, and other preferential policies. Clear guidelines and procedures for PPP investment in NC infrastructure should be established. This should encompass outlining benefits, risk-sharing mechanisms, and the responsibilities of all parties involved in contract implementation. Investment contracts can be structured under various models, including BOT, BTO (Build-Transfer-Operate), BT (Build-Transfer), or the broader PPP framework. The capital contribution levels of the state and corporates for rural infrastructure projects will be determined. For rural infrastructure projects directly impacting people's lives (clean water systems, sanitation works, etc.), the state's capital contribution should be higher than that of corporates.

Thirdly, develop rural corporates and support start-up corporates. It is necessary to have a stronger support mechanism from the state for cooperatives, especially agricultural start-up cooperatives. Countries that have successfully built the NC movement all consider the development of the cooperative economy as an important solution to create investment resources for building NC.

Fourthly, promote the dissemination and popularization of the mechanism and policy on mobilizing business resources for NC construction, especially for works and projects in the locality where businesses are the direct beneficiaries. Raise the sense of responsibility and community awareness of businesses and people.

In conclusion, mobilizing financial resources from businesses for NC construction is one of the top priorities in the national rural development policy. Completing policies to encourage businesses to invest in developing agricultural production and services associated with new economic tools and applying the public-private partnership model in NC construction are solutions that are prioritized by countries.

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