

# Reforming the Financial Mechanism of Public Non-Business Units in Vietnam: Research in Lao Cai Province

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## Abstract

The content of the administrative reform plan for the period 2011–2020 of the Government of Vietnam on the basis of the overall reform of the national administration, focuses on four main areas, namely institutional reform and organizational reform. structure, building and developing contingent of civil servants and public finance (Government, 2011). Thus, along with the institutional and organizational reform, the public finance reform is also a central task of the administrative reform in the condition that Vietnam continues to strongly transition from the centralized mechanism. The subsidy to a socialist-oriented market economy, in particular, is even more necessary when Vietnam has become an official member of the World Trade Organization. One of the current concerns for good implementation of public finance reform is the implementation of autonomy and self-responsibility for the use of payroll and administrative management funding for administrative agencies. state and financial autonomy mechanism for non-business units. This article focuses on analyzing the current situation of reforming the financial operation mechanism of public non-business units in Lao Cai province, Vietnam, pointing out the achievements, limitations, causes and some recommendations to end. promote the reform of the financial operation mechanism of public non-business units in Lao Cai province, Vietnam in the context of world economic integration.

**Keywords:** Innovation, Operating mechanism, Finance, Non-business units, Vietnam

## 1. Introduction

Renovating public non-business units is an inevitable trend of economic development and a common policy of the Party and State. Since 2018, Lao Cai province has also had encouraging results on the renovation of public non-business units. The province has issued 8/12 lists of public non-business services in each field; issued 09 public non-business service prices as a basis for the State to order or bid to provide public services, to convert according to the mode of estimate assignment under the former "input" payroll to the ordering mechanism. , assigning tasks to "output" products (Lao Cai Provincial People's Council, 2019). Thereby, it gradually raised the degree of autonomy of the units. Since then, public non-business units have provided and improved the quality of public non-business services for the state, to meet the satisfaction of the people every day when using the state's public non-business services. , and gradually reduced the State subsidy for non-business units.

In fact, the number of unassigned public non-business units is still high. The lack of synchronization in the formulation and promulgation of documents, many legal documents on public non-business units are still slow to be promulgated or revised, so the implementation of autonomy mechanism of the units is still much. embarrassment. However, in some public non-business units, from leaders to officials and public employees, they are not well informed about their ideology, so they are not proactive in promoting autonomy, improving service quality, and gradually reducing budget support; There is a lack of determination, boldness, and daring to face the challenges of heads (heads of branches with affiliated units, heads of public service delivery units). Many units still have thoughts of waiting and relying on the State, seeking to delay the progress of gradually increasing the level of financial autonomy or converting into joint stock companies; have not actively developed mechanisms and ways to have a stable and sustainable revenue source in order to step by step improve financial autonomy, autonomy in performing tasks, and reduce the burden of the state budget.

In this situation, it is very necessary to continue to reform the financial operation mechanism of public non-business units in Lao Cai province in the context of world economic integration. Stemming from the above practice, the authors want to share their views and propose a number of recommendations with scientific and practical basis on this issue.

## 2. Literature Review

According to the Thanh (2019), a public non-business unit is an organization established by a competent state agency, a political organization or a socio-political organization in accordance with the law. legal entities, providing public services, serving state management in fields such as education, training, health, scientific research, culture, sport, tourism, labor - invalids and social, media and other non-business fields are regulated by law. A non-profit business, also known as a not-for-profit organization, is a tax-exempt organization formed for religious, charitable, literary, artistic, scientific, or educational purposes. It is an incorporated business from which its shareholders or trustees do not benefit financially. Any money earned must be retained by the organization, and used for its own account, operations, and programs. A few well known non-profit organizations include Habitat for Humanity, Red Cross, and United Way (Ausha Jackson, 2016).

Non-business units are classified into four categories: (i) Public non-business units that cover recurrent and investment expenditures; (ii) The public non-business unit guarantees recurrent expenditure by itself; (iii) The public non-business unit guarantees part of recurrent expenditure by itself; (iv) Public non-business units are guaranteed recurrent spending by the State (Hieu, 2019). Pham (2020) thinks that the system of public non-business units plays a very important role in everyday life because the public non-business unit's operation aims to provide public services. weak for ensuring serving the needs of people in fields such as culture, tourism, health, education, science and other fields.

Le (2020) said that the organizational system of non-business units in Vietnam is cumbersome, fragmented, scattered and overlapping; weak internal management, low quality and efficiency of services. State budget expenditure for public non-business units is still too large, some units suffer losses, negative effects and waste due to weak and ineffective financial management. The effectiveness and efficiency of state management for public non-business units is limited; Many legal documents on the implementation of autonomy regimes of public non-business units are delayed, promulgated, or amended and supplemented. Decrees of the Government of Vietnam on the mechanism of autonomy in public non-business units in 5 fields, including: health; culture, sports and tourism; Job education; information - media and press; Education and training are still in the process of finalizing a draft, not yet issued (Phuong, 2020).

Nguyen (2020) believes that the reorganization of public non-business units will contribute to reducing the budget burden when having to spread investment to all public non-business units and types of translation. public service for all target groups. The reorganization of public non-business units creates conditions for the State to invest budget in units that provide the most basic and essential public services, and at the same time, concentrate budgets to help target groups. weakness in the development process. This is the basis for ensuring social equity in the public service sector. Affluent groups of income groups in the conditional society will have access to the high quality services they want. While other target groups still have the opportunity to enjoy basic, essential public services so that they can afford the conditions for development. The case study of Albania is analysed with a specific focus on the scope, contents and sequence of reforms as well as on the role of international institutions. The Albanian transition clearly demonstrates how development achieved without paying attention to public administration and management can be easily reversible and hardly sustainable. Open issues include building consensus on a general prioritization of PA reform agendas in transition countries and identifying more effective approaches for evaluating reform projects. Further enquiry on the first point can help avoid incoherent reform initiatives, also exacerbated by the multitude of donors financing reforms in these countries, while a better evaluation could address the declining flows of foreign aid and benefit from an increasing results-oriented approach, in recipient countries, as well as in international institutions (Riccardo and Denita, 2007)

Nguyen (2018) proposes that the State should step by step restructure the state budget investment for the supply in the direction of gradually increasing the proportion of spending on capital construction investment in order to strengthen facilities, improve quality, give

priority to investment in institutions such as education, healthcare in key economic regions, mountainous areas, and ethnic minority areas, in order to narrow the supply gap. levels and beneficiaries among regions, regions and regions of the country. Thereby, gradually reducing the proportion of recurrent expenditure from the state budget for public service provision, at the same time, adopting a policy to mobilize contributions from society to offset recurrent costs for service provision. Starting with modest, local initiatives like adopt-a-school programs and teacher-recognition awards, business efforts have widened and deepened. Corporate programs range from leadership training for school superintendents and principals to schools within schools for teenage mothers. Businesspeople are also taking leadership roles in building statewide networks, such as the Texas Business and Education Coalition, to support school restructuring and academic reforms. Overall, the level of business engagement and activity is unprecedented in this century (Nan Stone, 1991).

### **3. Method**

The authors mainly describe and analyze results and limit the implementation of reforming the financial operation mechanism of public non-business units in Lao Cai province, Vietnam. Male. Data is collected and synthesized from the Report of the Provincial People's Committee on the implementation of the mechanism for renewing the organizational and management system, improving the quality and efficiency of public service delivery units in Lao Cai province. the period of 2017-2019; Report No. 112 / BC-UBND dated February 24, 2021 Reporting the results of the implementation of the autonomy and self-responsibility mechanism for the use of administrative management funding for state agencies and the autonomous mechanism of public non-business units in Lao Cai province by 2020; Decision No. 4551 / QD-UBND dated December 31, 2019 approving the detailed estimate and method of providing public non-business services using the state budget in the field of information and communication in Lao Cai province in 2020; Decision No. 398/QD-UBND dated February 4, 2021 on the assignment of financial autonomy and self-responsibility for public non-business units at the provincial level by 2021; Decision No. 361 / QD-UBND dated February 14, 2020 on the assignment of financial autonomy and self-responsibility for public non-business units at the provincial level by 2020.

### **4. The Implementation of Reforming the Financial Operation Mechanism of Public Non-business Units in Lao Cai province, Vietnam**

#### *4.1 Overview of the Socio-economic of Lao Cai Province*

Lao Cai is a highland border province, located between the Northeast and Northwest regions of Vietnam. Lao Cai province consists of nine administrative units at district level and equivalent to one city (Lao Cai), one town (Sa Pa) and seven districts (Bao Thang, Bao Yen, Bac Ha, Si Ma Cai, Muong Khuong, Bat Xat, Van Ban). Compared to other localities in Vietnam, Lao Cai has a small population, low population density and many ethnic minorities, most of whom live below the poverty line. Due to its remote terrain and location, the average population density of Lao Cai is 103 people/km<sup>2</sup>, among the lowest in Vietnam. Lao Cai is home to 25 ethnic groups in Vietnam, of which ethnic minorities account for 64% of the total population (Nung accounts for 4.4%; Giay accounts for 4.7%; Dao accounts for 14.05%; Tay

accounting for 15.84%; H'Mong accounts for 22.21%), Kinh people account for 35.9%, other accounts for 2.9%. Ethnic factors, customs and lifestyles have a multidimensional influence on development opportunities and levels (Lao Cai Provincial People's Committee, 2010).

Lao Cai currently has a convenient infrastructure to become a "bridge" on the economic corridor of Kunming (China) - Lao Cai - Hanoi - Hai Phong - Quang Ninh. In particular, the Provincial Competitiveness Index of Lao Cai (PCI) is always in the top of the country, ranking first among the Northwestern provinces. Commitment of the government of Lao Cai province to investors and enterprises is to issue business registration certificates for no more than three days; issuance of decision on investment policy does not exceed 2/3 of the prescribed time; granting construction permits for no more than 10 days; have a specialized agency to help investors in clearing the ground in the fastest time (Vinh, 2020).

The Covid-19 pandemic had a comprehensive and profound impact on all socio-economic fields of countries in the world, including Vietnam. In comparison with the whole country, many indicators were achieved higher than the regional and national average. Specifically, the economic growth of Lao Cai in 2020 will reach 6.31%, higher than the general growth rate of the country, the second highest among the provinces in the Northern Midlands and Mountains (Bao Lao Cai, 2020).

#### *4.2 The Status of Reforming the Financial Operation Mechanism of Public Non-business Units in Lao Cai Province*

##### *4.2.1 Legal Policies of the State of Vietnam and Lao Cai Province on Reforming the Financial Mechanism of Public Non-business Units*

\* Laws and policies of the State of Vietnam on reforming the financial operation mechanism of public non-business units

- Resolution No. 39-NQ / TW dated April 17, 2015 of the Politburo on staff streamlining and restructuring the contingent of cadres, civil servants and public employees directed: "Complete the planning of the network of Public non-business units by industry or field. Classify public non-business units to implement appropriate forms of transformation (operating according to the enterprise model, step by step equitization, public-private partnership. To step up the socialization of public non-business units capable of covering all operating costs (universities, academies, research institutes, vocational training institutions, hospitals, etc.) according to to continue promoting the empowerment of autonomy and self-responsibility in performing tasks, finance and human resources and encouraging the establishment of public service delivery organizations from non-state sectors, especially in the field. education - training, health care, science. Strengthen inspection and supervision of people's agencies over the operation of public non-business units ".

- Resolution No.11-NQ/TW dated June 3, 2017 of the Central Executive Committee on completing the institution of the socialist-oriented market economy "Institutional improvement, innovation and efficiency improvement. The public non-business units give full autonomy and accountability to the public non-business units in terms of their scope of

operation, organizational structure, payroll, human resources and associated finance. Independent assessment mechanism: To maximize socialization of public services, ensuring equal rights between public non-business units and non-public entities participating in the provision of public services according to the marketing mechanismschool"; "Renovating the Party's leadership methods, perfecting institutions of power control, streamlining the apparatus and payrolls, building a contingent of capable and qualified cadres to meet requirements and tasks; improve quality and efficiency of the entire political system.

- Resolution No.19-NQ/TW dated October 25, 2017 of the Sixth Conference of the XII Central Executive Committee on continuing to renovate the organizational and management system, improve the quality and efficiency of operations. of public non-business units;

- Law on Public Employees 2010 (effective from January 1, 2012);

- Law on Organization of People's Councils and People's Committees of 2003;

- Law on Government Organization 2015 (effective from January 1, 2016);

- Law on Local Government Organization 2015 (effective from January 1, 2016);

- Law on State Budget 2015 and its guiding documents;

- Law on Asset Use and Management 2017 and guiding documents;

\* Lao Cai province's policy on reforming the financial mechanism of public non-business units

- Resolution No. 89/2016 / NQ-HDND dated December 15, 2016 of the Provincial People's Council approving the period of local budget stability, decentralization of revenue sources, spending tasks; percentage of budget revenue sharing among local government levels, norm of allocation of recurrent expenditure estimates; the time for deciding the estimate and approving the local budget settlement;

- Decision No. 2760/QD-UBND dated August 27, 2015 of the People's Committee of Lao Cai province approving the project to review and adjust the school and classroom network for preschool, general education and general education trans-Lao Cai province period 2015-2020, with an orientation to 2030;

- Decision No. 1209 / QD-UBND dated April 23, 2018 of the People's Committee of Lao Cai province on the assignment of autonomy and self-responsibility in performing tasks, organizational structure, payroll, finance for the provincial non-business units in 2018;

- Plan No. 281/ KH-UBND dated November 17, 2016 of the Provincial People's Committee on consolidating and reorganizing the network of public non-business units in Lao Cai province, for the period 2016-2020;

- Decision No.4551/ QD-UBND dated December 31, 2019 of the Provincial People's Committee approving the detailed estimate and method of providing public non-business services using the state budget in the field of information and transmission. in Lao Cai province by 2020.

- Decision No.361/QD-UBND dated February 14, 2020 of the Provincial People's Committee on the assignment of financial autonomy and self-responsibility to the units. Provincial public career 2020. - Decision No. 398 / QD-UBND dated February 4, 2021 on the assignment of financial autonomy and self-responsibility to the provincial public non-business units in 2021.

#### 4.2.2 The Implementation of the Delegation of Autonomy and Self-responsibility for Public Non-business Units in the 2016-2020 Period in Lao Cai Province

a) Regarding the number of autonomous units: In the 2016-2020 period, the province Lao Cai continues to implement the assignment of autonomy to public non-business units according to the provisions of Decree 16/2015 / ND-CP dated February 14, 2015 of the Government for units that are exercising autonomy. According to Decree No. 43/2006 / ND-CP dated 25/4/2006 of the Government, basically the units assigned to autonomy have developed internal spending regulations with spending contents in accordance with regulations. current state, in accordance with the assigned functions and duties.

*In 2016:* The total number of units that have assigned autonomy and responsibility under Decree No. 43/2006 / ND-CP: 451/451 units, equal to 100% (People's Committee of Lao Cai Province, 2019). Classification of 451 non-business units in 2016: The units self-guarantee all operating costs: 08 units. The unit self-guarantees a part of the operating costs: 73 units. All units are covered by the state budget: 370 units.

*In 2017:* The total number of units that have assigned autonomy and responsibility under Decree No. 43/2006 / ND-CP: 415/415 units, equal to 100% (People's Committee of Lao Cai Province, 2019).

-Classification of 98 provincial non-business units:

The unit self-guarantees the entire operating costs: 10 units, an increase of 3 units compared to 2016 due to the change from a unit that partially guarantees operating expenses.

The unit self-guarantees a part of operating costs: 33 units, down 8 units compared to 2016, of which 10 units (dissolve, merge 7 units, switch to the form of self-guarantee unit set of 3 units); increase 2 units (convert the entire budget to 01 unit; assign 01 additional unit under the Party bloc).

Units covered by the state budget to cover all operating costs: 55 units

- Classification 317 district non-business units:

The unit self-guarantees a part of the operating costs: 33 units.

Units covered by the state budget all operating costs: 284 units.

*In 2018:* The total number of public non-business units that have been assigned an autonomous mechanism: 460/596, equaling 77% (Lao Cai Provincial People's Committee, 2019).

- Classification of 104 provincial non-business units:

Public non-business units self-guarantee recurrent and investment expenses: 09 units, an increase of 06 units compared to 2017 (due to additional assignment);

Public non-business units ensure recurrent expenditures: 11 units, an increase of four units compared to 2017 (because one unit converts to the type of unit itself partially ensures operating expenses; three units additional delivery)

The unit self-guarantees a part of recurrent expenditure: 31 units, down two units compared to 2017 (of which: two units reduced because one unit switched to self-guarantee all operating costs and two units merger; increase of four units compared to 2017 due to the conversion from a budget that ensures all operating costs).

State-guaranteed regular spending units: 53 units.

- Classification of 356 district non-business units:

Recurrent public non-business units: nine units, an increase compared to 2017 (because nine units have converted from a unit that partially covers operating costs).

Public non-business units self-guarantee part of recurrent expenditure: 29 units, down four units compared to 2017, of which nine units (due to conversion of type to self-guarantee of the full operating costs ); increase five units (due to conversion from units to the State budget to ensure all operating costs).

State-guaranteed public non-business units: 318 units.

*In 2019:* The total number of public non-business units that have been assigned an autonomous mechanism: 520/569 units, reaching 91.4% (Lao Cai Provincial People's Committee, 2019).

- Number of units to develop internal spending regulations, regulations on management and use of public assets: 520/520 units.

- Classification of 98 provincial non-business units:

Public non-business units ensure recurrent and investment expenses: nine units (unchanged compared to 2018).

Public non-business units ensure recurrent expenditures: 12 units, an increase of four units compared to 2018 (the total number of units is an increase of one unit, however, fluctuations decreased by three units during the year due to the merger. Import, fluctuations increased by four units: three units changed from self-guarantee of a part of recurrent expenditure to self-guarantee of recurrent expenditure and one new assigned unit, so in fact, an increase of four units compared to in 2018).

The unit self-guarantees a part of recurrent expenditure: 28 units, an increase of three units compared to 2018 (the total number of units is a decrease of three units, however, there was a decrease of four units during the year due to the merger, decreased by two units due to conversion to self-guaranteed units of recurrent expenditure, increased fluctuation of three units: two units converted from state type ensuring all recurrent expenditures to



self-guaranteeing part of recurrent expenditure and one new delivery unit, so in fact, an increase of three units compared to 2018).

Units guaranteed by the State to recurrent expenditures: 49 units, down three units compared to 2018 (decreasing by two units due to switching to a self-guarantee unit of part of recurrent expenditures, one merging unit).

- Classification of 422 district-level non-business units that have been assigned with autonomy:

A public non-business unit that guarantees recurrent and investment expenditures: one unit, an increase of one unit compared to 2018 (because one unit changed from self-guaranteeing of recurrent expenditures to self-guarantee of recurrent expenditures. investment spending).

Public non-business units self-guarantee recurrent expenditure: 16 units, an increase of eight units compared to the report in 2018 (in terms of the total number of units is an increase of six units, however, fluctuations decreased by two units during the year. and the change increased by eight units, converting the type from a unit that partially guarantees operating costs to self-guaranteeing recurrent expenses, so in fact, an increase of eight units).

Public non-business units self-guarantee a part of recurrent expenditure: 33 units, an increase of 10 units compared to the report in 2018 (in terms of total units increased by two units, however, fluctuations decreased by eight units during the year. Unit conversion to self-guaranteed unit of recurrent expenditure and increased volatility of ten units from a budget unit that guarantees all recurrent expenditures to a unit of self-guarantee, so in fact, an increase tenunits).

State-guaranteed public non-business units: 372 units increased by 42 units, due to the assignment of new autonomous units to schools in districts.

*In 2020:* The total number of public non-business units that have been assigned the autonomy mechanism: 586/620 units, reaching 94.5%, up 3% compared to 2019 (Lao Cai Provincial People's Committee, 2021).

- Number of units to develop internal spending regulations, regulations on management and use of public assets: 586/586 units.

- Classification of 98 provincial non-business units:

Public non-business units self-guarantee recurrent and investment expenditures: ten units. Increase by one unit compared to 2019 - The total number of units increased by one, however, there was an increase of two units during the year (one unit changed from self-guarantee of all recurrent expenditures to self-guarantee of recurrent expenditures and investment spending; one new unit assigned by changing from a former non-business unit under the investor's management to a non-business unit directly under the Provincial People's Committee); The fluctuation decreased by one unit due to the merging of two units.

Public non-business units ensure recurrent expenditures: 15 units, an increase of three units compared to 2019 - In total, an increase of three units, however, fluctuations decreased by

one unit during the year due to switching to the type of business. units that self-guarantee recurrent and investment spending, increased by four units (with four more units), converted from units of self-guarantee of a part of recurrent expenditure to self-guarantee of recurrent expenditure.

The unit self-guaranteed part of recurrent expenditure: 26 units, down two units compared to 2019 - In total, it decreased by two units, however there was a decrease of four units during the year due to the change to the unit self-guarantee for recurrent expenditure, increased by two units (with two more units) converted from a unit where the state ensures all regular expenditures to a unit that partially guarantees a part of recurrent expenditure.

Units with the State's guarantee of recurrent expenditures: 47 units, down two units compared to 2019 (due to the conversion of two units from a state-guaranteed unit for all recurrent expenditures to a self-guaranteeing unit one part of recurrent expenditure).

- Classification 488 district non-business units assigned autonomy:

A public non-business unit that guarantees recurrent and investment expenditures: one unit (equal to 2019).

Public non-business units self-guarantee recurrent expenditures: 20 units, an increase of four units compared to the report in 2019. Due to the transformation of one unit from a self-guaranteeing unit of a part of recurrent expenditure to a guaranteed unit entire recurrent expenditure; three new units are assigned autonomously.

Public non-business units self-guarantee part of recurrent expenditure: 33 units, the number of units is unchanged compared to 2019, however, the fluctuation increases by one unit transferred from the state budget to ensure all expenditures. from regular to self-guarantee a part of recurrent expenditure, decreasing fluctuation is due to one unit switching to a self-guaranteeing unit of full recurrent expenditure.

State-guaranteed public non-business units: 434 units increased by 62 units, fluctuations increased 63 units due to the allocation of autonomy to a number of schools under the district People's Committee; a decrease in fluctuation because one unit changed to self-guarantee a part of recurrent expenditure.

Table 1. Number of autonomous public non-business units by level of financial security in Lao Cai province for the period 2016-2020

No.	Content	2016	2017	2018	2019	2020
1	Number of public non-business units with autonomy	451	455	462	460	586
2	Number of public non-business units that can guarantee recurrent and investment spending by themselves	0	0	9	9	11
3	Number of public non-business units that can guarantee recurrent expenditure	8	17	20	22	35
4	Number of units self-guarantee a part of recurrent expenditure	73	70	62	65	59
5	Number of units guaranteed by the state to recurrent expenditure	370	368	371	364	481

Source: (People's Committee of Lao Cai Province, 2019), (People's Committee of Lao Cai Province, 2021)

#### b) Regarding funding:

Lao Cai is the pioneer province nationwide advising to change the budget allocation mechanism from the form of budget allocation based on payroll and previous "input" tasks to the mechanism of ordering and assigning tasks according to "products out". The implementation of the mechanism of ordering and assigning tasks has helped public non-business units improve their autonomy and reduce the burden on the state budget. From promoting autonomy mechanisms in non-business units, step by step reducing the intervention of state management agencies towards public non-business units. The superior management agencies have strengthened the decentralization of affiliated non-business units in purchasing, repairing, liquidating assets, performing professional tasks.

Year 2016 (People's Committee of Lao Cai Province, 2019).

- Self-funding funding: 2,258,186 million VND. Inside:

Funding autonomy (for the unit to ensure all operating costs): 165,891 million VND.

State budget funds for autonomous implementation (for units that partially cover operating costs): 873,547 million VND and units covered by the state budget for all operating costs): 1,218,748 million VND.

Year 2017 (People's Committee of Lao Cai Province, 2019).

- Self-funding funding: 2,444,962 million VND. Inside:

Autonomous funding (for the unit that self-guarantees all operating costs): 181,198 million VND.

Funding for autonomous implementation (for a unit that partially covers operating costs): 875,597 million VND and the unit covered by the state budget for all operating costs): 1,388,167 million VND.

Year 2018 (People's Committee of Lao Cai Province, 2019).

- Self-funding funding: 1,680,754 million VND. Inside:

Funding for autonomous implementation for units that partially cover their operating costs:

277,890 million VND.

Funding for the autonomous implementation of the units is covered by the state budget to cover all operating costs: 1,402,864 million VND.

- The promotion of the autonomy mechanism of Lao Cai province has sharply reduced subsidies from the state budget, specifically:

Recurrent expenditures from the budget for public non-business units in 2015: 4,311 billion VND;

Recurrent expenditure from the state budget for public non-business units in 2018: 1,680,754 billion VND (a decrease of 2,630,246 billion VND, corresponding to the reduction rate of recurrent expenditure from the state budget of 61% compared to recurrent expenditure from budget for public non-business units in 2015).

Year 2019 (People's Committee of Lao Cai Province, 2019)

- Self-financing funding: 1,750,709 million VND. Inside:

Funding for autonomous implementation for the unit that partially covers operating costs: 267,715 million VND.

Funding for the autonomous implementation of the units due to the state budget ensures all operating costs: 1,482,994 million VND.

- The promotion of the autonomy mechanism of Lao Cai province has sharply reduced subsidies from the state budget, specifically:

Recurrent expenditures from the budget for public non-business units in 2015: 4,311 billion VND;

Recurrent expenditure from the state budget for public non-business units in 2019: VND 1,750 billion (a decrease of VND 2,561 billion, corresponding to the rate of reduction of recurrent expenditure from the state budget of 59.4% compared to recurrent expenditure from the state budget for public non-business units in 2015).

Year 2020 (People's Committee of Lao Cai Province, 2021)

- Self-financing funding: 2,154,047 million VND. Inside:

Funding for autonomous implementation for units that partially self-guarantee operating costs: 336,527 million VND.

Funding for the implementation of autonomy for the unit is due to the state budget ensuring all operating costs: 1,817,520 million VND.

- The promotion of autonomy mechanism of Lao Cai province has strongly subsidized from the state budget, specifically:

Recurrent expenditures from the budget for public non-business units in 2015: 4,311 billion VND;

Recurrent expenditure from the state budget for public non-business units in 2020: 2,154 billion VND (a decrease of 2,157 billion VND, corresponding to the rate of reduction of recurrent expenditure from the state budget of 50% compared with recurrent expenditure from the budget for public non-business units in 2015).

Table 2. Funding of public non-business units with autonomy by level of financial security in Lao Cai province for the period 2016-2020 (Unit: million VND)

No.	Types	2016	2017	2018	2019	2020
1	Recurrent expenditure from the budget to public non-business units	2,258,186	2,444,962	1,680,754	1,750,709	2,154,047
2	Funding autonomy (for the unit that guarantees all operating costs)	165,891	181,198			
3	State budget funds are allocated for autonomous implementation (for units that partially cover operating expenses)	873,547	875,597	277,890	267,715	336,527
4	State budget funds are allocated for autonomous implementation (for units covered by the state budget all operating costs)	1,218,748	1,388,167	1,402,864	1,482,994	1,817,520

Source: (People's Committee of Lao Cai Province, 2019), (People's Committee of Lao Cai Province, 2021)

#### 4.2.3 The Implementation of Financial Autonomy and Self-responsibility of Public Non-business Units Lao Cai Province Implements the Reform of Financial Operation Mechanism in the 2016-2020 Period

- Most of the units have used effectively the State budget allocated to perform their tasks well; proactively use facilities and human resources to develop and improve service quality. Gradually promote non-business revenue and gradually reduce state budget expenditure. The units actively distributed financial results during the year.
- Annually, after fully accounting all expenses, taxes and other state budget remittances (if any) as prescribed, the difference in revenues is greater than recurrent expenditures (if any), To set up funds (Fund for Development of Career Activities, Income Supplement Funds, Bonus Funds, Welfare Funds) and use the funds according to regulations.
- From promoting autonomy mechanisms in non-business units, step by step reducing the intervention of state management agencies towards public non-business units. The superior management agencies have strengthened the decentralization of affiliated non-business units in purchasing, repairing, liquidating assets, performing professional tasks.
- In a number of public non-business units, service prices have been implemented and salaries are fully included in service prices, reducing the number of people receiving salaries from the budget and reducing recurrent expenditures of the budget for the units.
- Basic facilities and equipment have been equipped for professional work according to the assigned functions and tasks, managing, using and publicizing the situation of management and use of assets according to regulations.

In 2016: (People's Committee of Lao Cai Province, 2019).

Total revenue: VND 703,618 million/year ago: VND 604,033 million, up 9.9% compared to the previous year.

- Increased revenue: 63,615 million VND, an increase compared to 2014: 9.9%.

The unit with the highest revenue: 187,933 million VND (provincial general hospital).

Unit with the lowest revenue: 5 million (Nursing Center for people with meritorious services in Sa Pa).

- Save cost of regular operation:

Number of saving units: 408/451 units, reaching the rate of 90.5%.

Funds saved: VND 179,014 million;

The unit with the highest savings: 23,137 million VND (Provincial General Hospital).

The unit with the lowest savings: 7 million VND (nursing center for people with meritorious services in Sa Pa).

Year 2017 (People's Committee of Lao Cai Province, 2019).

Total revenue: VND 835,375 million/year ago: VND 703,779 million, up 18.7% over the previous year.

- Increased revenue: 131,596 million dong, an increase compared to 2016: 18.7%.

The unit with the highest revenue: 224,882 million VND (Provincial General Hospital).

The unit with the lowest revenue: 10 million VND (Performance Experimental Center).

- Save cost of regular operation:

Number of saving units: 405/416 units, reaching the rate of 97.5%.

Funds saved: VND 185,354 million;

The unit with the highest savings: 25,763 million VND (Provincial General Hospital).

The unit with the lowest savings: 8 million VND (Sa Pa Center for Nursing people with meritorious services).

- The public non-business units of Lao Cai province 100% strictly comply with the regulations on the distribution of financial results and using regular expenditure savings in the year.

Year 2018 (People's Committee of Lao Cai Province, 2019).

- Total revenue: 1,048,975 million VND;

- Increased revenue: 151,572 million VND, an increase compared to 2017: 16.89%.

The unit with the highest revenue: 224,789 million VND (Provincial General Hospital).

Unit with the lowest revenue: 13 million VND (Bac Ha District Medical Center).

- Save cost of regular operation:

Number of saving units: 454/460 units, reaching the rate of 98.78%.

Funds saved: VND 238,082 million;

The unit with the highest savings: 35,838 million VND (Provincial General Hospital).

The unit with the lowest savings: 22 million VND (Vocational Training and Farmers Support Center).

- The public non-business units of Lao Cai province 100% strictly comply with the regulations on the distribution of financial results and using regular expenditure savings in the year.

Year 2019 (People's Committee of Lao Cai Province, 2019).

- Total revenue: 1,327,677 million VND;

- Increased revenue: 128,630 million VND, an increase compared to 2018: 10.7%.

The unit with the highest revenue: 248,734 million VND (Provincial General Hospital).

The unit with the lowest revenue: 1 million VND (Lau Thi Ngai Kindergarten- Bac Ha, Secondary School for Education and Training, Lung Sui Si Ma Cai Commune)

- Save cost of regular operation:

Number of saving units: 482/520 units, reaching the rate of 92.7%.

Funds saved: 199,674 million dong;

The unit with the highest savings: 21,201 million VND (Provincial General Hospital).

The unit with the lowest savings: 14 million VND (Vocational Training and Farmers Support Center).

- The public non-business units of Lao Cai province 100% strictly comply with the regulations on the distribution of financial results and using regular expenditure savings in the year.

Year 2020 (People's Committee of Lao Cai Province, 2021).

-Total revenue: 1,410,742 million VND;

- Increased revenue: 48,806 million VND, an increase compared to 2019: 3.6%.

Unit with the highest revenue: 256,498 million VND (Provincial General Hospital).

The unit with the lowest revenue: 0.5 million VND (Preschool Nam Khanh - Bac Ha, School of Development

Cost savings for regular operations:

Number of saving units: 577/586 units, reaching the rate of 99%.

Funds saved: VND 244,376 million;

The unit with the highest savings: 21,856 million VND (Provincial General Hospital).

The unit with the lowest savings: 15 million VND (Vocational Training and Farmers Support Center).

- The public non-business units of Lao Cai province 100% strictly comply with the regulations on the distribution of financial results and using regular expenditure savings in the year.

Table 3. The implementation of financial autonomy and self-responsibility of public non-business units in Lao Cai province in the period 2016-2020 (Unit: million VND)

No.	Criteria	2016	2017	2018	2019	2020
1	Total revenue	703,618	835,375	1,048,975	1,327,677	1,410,742
2	Revenue increased% compared to the previous year	9.9	18.7	16.89	10.7	3.6
3	Save on regular operating costs:					
	-Number of units	408/451	405/416	454/460	482/520	577/586
	-Ratio%	90.5	97.5	98.78	92.7	99 %
	-The number of savings	179,014	185,354	238,082	199,674	244,376

Source: (People's Committee of Lao Cai Province, 2019), (People's Committee of Lao Cai Province, 2021)

Table 3 shows that the total revenue of public non-business units in Lao Cai province in the period 2016-2020 increased sharply over the years: in 2016, the total revenue was 703,618 million VND; in 2020, the total revenue will be 1,410,742 million VND. Total revenue in 2020 will increase by 200.5% compared to 2016. Revenues increase over the previous year of public non-business units in Lao Cai province in the 2016-2020 period, the strongest increase in 2017: 18.7% and in 2018: 16.89%. The highest savings of public non-business units in Lao Cai province in the 2016-2020 period are in 2018: 238,082 million dong and 244,376 million dong in 2020. The amount of savings saved by public non-business units in Lao Cai province by 2020 will increase by 136.5% compared to 2016.

#### 4.2.4 Income Situation of Employees in Public Non-business Units Lao Cai Province Implements Reform of Financial Operation Mechanism in the 2016-2020 Period

Income situation of employees in 2016 (Lao Cai Provincial People's Committee, 2019).

Number of units with no additional income: 68 units.

Provincial units: 7 units;

District units: 61 units;

- Number of units with the income coefficient increased by less than 1 time: 381 units.



- Number of units with the income coefficient increased from over 1 to 2 times: 2 units.
- Number of units with the income coefficient increased from over 2 to 3 times: 0 units.
- Number of units with income coefficient increased more than 3 times: 0 unit.

The unit with the highest additional income / person: 14,000,000 VND / month (Land Development Fund).

The unit with the lowest additional income is: 20,830 VND / month (Semi-boarding High School for Ethnic Minority Children in Lung San Commune, Si Ma Cai District).

Income situation of employees in 2017 (Lao Cai Provincial People's Committee, 2019).

Number of units with no additional income: 63 units.

Provincial units: 2 units;

District units: 61 units;

- Number of units with the income coefficient increased by less than 1 time: 348 units.
- Number of units with the income coefficient increased from over 1 to 2 times: 4 units.
- Number of units with the income coefficient increased from over 2 to 3 times: 0 units.
- Number of units with income coefficient increased more than 3 times: 0 units.

The unit with the highest added income/person: 33,000,000VND/month (Institute of Architecture and Planning).

The unit with the lowest added income is: VND 29,000/month (Sa Pa nursing center for people with meritorious services).

Income situation of employees in 2018 (Lao Cai Provincial People's Committee, 2019).

Number of units with no additional income: 64 units.

Provincial units: 7 units;

District units: 57 units;

- Number of units with the income coefficient increased by less than 1 time: 139 units.
- Number of units with the income coefficient increased from over 1 to 2 times: 1 unit.
- Number of units with the income coefficient increased from over 2 to 3 times: 4 units.
- Number of units with income coefficient increased more than 3 times: 0 unit.

Unit with the highest added income/person: 16,738,000 VND / person / month (Center for International Medical Quarantine).

The unit with the lowest added income is: 47,000 VND/person/month (Primary School No. 1 in Si Ma Cai commune).

Income situation of employees in 2019 (Lao Cai Provincial People's Committee, 2019).

Number of units with no additional income: 38 units.

Provincial units: 06 units;

District units: 32 units;

- Number of units with the income coefficient increased by less than 1 time: 475 units.
- Number of units with income coefficient increased from over 1 to 2 times: 04 units.
- Number of units with income coefficient increased from more than 2 to 3 times: 02 units.
- Number of units with income coefficient increased by more than 3 times: 01 unit

Unit with the highest added income / person: 43,000,000 VND / person / month (Center for Medical Quarantine International).

The unit with the lowest added income is: 25,333 VND / person / month (Kindergarten A Mu Sung, Bat Xat District).

Income situation of employees in 2020 (Lao Cai Provincial People's Committee, 2021).

-Number of units with no additional income: 9 units.

Provincial units: 05 units (because these 5 units pay monthly salaries according to products, not additional income);

District units: 04 units;

- Number of units with the income coefficient increased by less than 1 time: 569 units.
- Number of units with income coefficient increased from over 1 to 2 times: 06 units.
- Number of units with the income coefficient increased from more than 2 to 3 times: 01 unit.
- Number of units with income coefficient increased by more than 3 times: 01 unit

Unit with the highest added income / person: 40,000,000 VND / person / month (Center for Medical Quarantine International).

The unit with the lowest added income is: 40,000 VND / person / month (Ta Thang Secondary School for Education and Training, Muong Khuong District).

Table 4. Income status of employees in public non-business units Lao Cai province implements reform of financial operation mechanism in the 2016-2020 period

No	Content	2016	2017	2018	2019	2020
1	Number of units with no additional income	68	63	64	38	9
2	Number of units with income coefficient increased less than 1 time	381	348	139	475	569
3	Number of units with income coefficient increased by more than 1 to 2 times	2	4	1	4	6
4	Number of units with income coefficient increased by more than 2to 3 times	0	0	4	2	1
5	Number of units with income coefficient increased more than three times	0	0	0	1	1
6	The unit with the highest added income per month	14,000,000	33,000,000	16,738,000	43,000,000	40,000,000
7	The unit with the lowest added income per month	20,830	29,000	47,000	25,333	40,000

Source: (People's Committee of Lao Cai Province, 2019), (People's Committee of Lao Cai Province, 2021)

Table 4 shows that the number of public non-business units in Lao Cai province implementing the renewal of the financial operation mechanism with no additional income in the 2016-2020 period tends to decrease: in 2016, there are 68 units, in 2020 9 units decreased by 86.76% compared to 2016. Number of public non-business units Lao Cai province implemented reforming the mechanism of financial operations with an increase in income coefficient of less than once and more than one to two. increased strongly in the 2016-2020 period. The number of public non-business units with an income coefficient of less than one in 2019 is 475 units, in 2020 is 569, an increase of 149.34% compared to 2016. The number of public non-business units with The income coefficient will increase by more than one or two times in 2020 to be 6 units, increasing by 300% compared to 2016.

The income of employees at public non-business units Lao Cai province implementing the reform of the financial operation mechanism with the highest increase in income in the 2016-2020 period tends to increase: in 2016, the income increased highly. the most is 14,000,000 VND / month; in 2020 it is 40,000,000 VND / month, an increase of 285.7% compared to 2016.

The income of employees at public non-business units Lao Cai province implementing reform mechanism of financial activities with the lowest added income in the 2016-2020 period tends to increase: in 2016 it was 20,830 VND / month; in 2020 is 40,000 VND / month, increasing 192% compared to 2016.

### *4.3 Overall Assessment of the Implementation of Reforming the Financial Operation Mechanism of Public Non-business Units in Lao Cai Province, Vietnam*

#### *4.3.1 Results Achieved*

*Firstly, the task of directing and guiding the implementation*

Up to now, basically, the implementation of functions, tasks, powers and organizational structure of public service delivery units has been implemented in accordance with the instructions of the ministries and central branches. For public non-business units, there is no official guidance from the ministries and central branches; Based on the functions and tasks of departments, Lao Cai Provincial People's Committee issued regulations on suitable positions, functions, tasks and organizational structure of these units, avoiding overlapping tasks between units. clearly define the task of state management and provision of public non-business services.

*Secondly, the results of autonomous implementation of tasks, organizational structure and personnel*

Based on the assigned functions and tasks, in recent years, public non-business units have actively planned and organized service delivery activities, joint ventures, and association to provide and improve. the quality of public services contributes to promoting the local socio-economic development; at the same time, proactively reviewing and building plans to rearrange the organizational structure towards a streamlined direction, implementing the mechanism of autonomy and accountability; the merger, separation and dissolution of public non-business units were carried out in accordance with regulations, a number of units actively developed plans to submit to competent authorities to streamline organizational structure. associated with the assignment and assignment of specific tasks according to each job position, suitable to the professional capacity of the public employee and employee; Basic implementation of management units, using the right number of people working.

*Thirdly, the results of financial autonomy and self-responsibility and income of employees in public non-business units in Lao Cai province*

- The Provincial People's Committee issued Plan No. 281 / KH-UBND dated November 17, 2016 to consolidate and reorganize the network of public non-business units in Lao Cai province, for the period 2016-2020. In addition to each field, the education sector is reviewing and adjusting the network of schools and classrooms; Non-business units in the agriculture, forestry, health, culture - according to and tourism sectors . . . have been reviewing, reorganizing, and consolidating the network.

- Developed service prices, implemented orders for public non-business services and fully charged salaries, thereby reducing the number of people receiving salaries from the budget, saving details to increase income. for officials, increase reinvestment activities.

- The province has issued documents to develop a scheme on the use of public assets for business, lease, joint venture or association purposes in accordance with the Law on Public Asset Use Management, which is a premise. for non-business units to use public assets for the purpose of business, lease, joint venture or association to develop non-business service activities.

#### 4.3.2 Some Limitations

*Firstly, the task of directing and guiding the implementation*

- The direction of the implementation of autonomy mechanism for the SNCL unit of some party committees and heads of agencies, organizations and units is not drastic and ineffective.
- Agencies and units still encounter a number of difficulties and problems, including certain disturbances and confusion about the organization of the direction and implementation of the tasks initially after the implementation. show consolidation and arrangement.

*Secondly, implementing autonomously in task performance, organizational structure and human resources*

- Public non-business units that have been equitized or converted to an autonomous mechanism still perform reluctantly, not proactively due to inadequate awareness of the policy of equitization and autonomous transformation in public non-business units;
- The current public service agencies are only interested in purely activities of providing public services according to their functions and tasks, according to the planned targets, not proactively proposing mechanisms/policies to promote the implementation of financial autonomy, personnel autonomy, many units still have thoughts of expecting and relying on the State; have not actively developed mechanisms and ways to have a stable and sustainable revenue source in order to step by step improve financial autonomy, autonomy in performing tasks, and reduce the burden of the state budget.
- The reorganization of the organizational apparatus has a direct impact on the interests of cadres, officials and workers in public non-business units, so when rearranging public non-business units. often find it difficult to rearrange and restructure the contingent of officials, especially for leading officials and managers as well as to deal with relevant policies and regimes;
- Lao Cai province has issued policies to attract and favor high-quality human resources, but the attraction is very difficult, including a team of specialized doctors and teachers, affecting the quality and efficiency of provision of public health services and education in the province.

*Thirdly, Implement financial autonomy and self-responsibility and income of employees in public non-business units in Lao Cai province.*

- Some public non-business units, taking steps to renovate non-business units, still perform mechanically, not guaranteeing the nature under the direction of the Provincial People's Committee, the quality is not guaranteed (as the plan autonomy, the project of using assets for the purpose of joint venture construction is not guaranteed, there is no specific roadmap to improve the degree of autonomy, reduce the state budget level);
- Some specialized departments have not been proactive in building a list of public non-business activities using state budget and criteria and quality standards, mechanisms for monitoring, evaluating and verifying the quality of industrial non-business services. it is difficult to promote autonomy in public service delivery units. Since then, there have been no public service charges using the state budget as a basis for state-ordered services, at present some services only apply the cost norms to ensure operation. Therefore, the price of the

services ordered by the State has not been properly calculated, thus it has not improved the autonomy level of public service delivery units;

- The financial autonomy of non-business health units still faces some difficulties due to deteriorating hospital facilities, an incomplete list of medical equipment, and deterioration of many equipment. have to repair, replace components or replace new ones, including many medical equipment with great value such as CT Scanner system, Spect machine, MRI machine, etc. very high maintenance and replacement costs. Currently, the salary payment for civil servants is mainly from the state budget.

#### 4.3.3 The Causes of the Limitations

##### *Objective reasons*

- The lack of synchronization in the formulation and promulgation of documents, many legal documents on public non-business units are still slow to be promulgated or revised, so the implementation of autonomy mechanism of the units remains. many embarrassing problems.

Difficulties and problems in the process of transforming into joint stock companies: Decision No. 22/2015 / QD-TTg dated June 22, 2018 of the Prime Minister on converting public non-business units into joint stock companies promulgated has created a legal framework, contributing to promoting the socialization of public non-business units, mobilizing maximum social resources. However, in the process of transforming public non-business units into joint stock companies according to the Prime Minister's Decision No. 22/2015 / QD-TTg, there are still a number of shortcomings and problems such as: transforming public non-business units into joint stock companies is a new content; localities and ministries do not have much experience in implementation;

- The policy of not distinguishing between public and non-public non-business units and public-private cooperation in public non-business activities is unclear, there is no effective monitoring mechanism and no clear regulation. multiply for this cooperation.

- With the characteristics of mountainous and highland provinces, most of them are ethnic minorities, socio-economic conditions still face many difficulties, the transformation of autonomy mechanism of public non-business units is very difficult to implement, while the majority of public non-business units in Lao Cai province are providers of basic and essential public services, ensuring social security such as education and training, health care, socialprotection and these units operate not for profit so it is difficult to attract investment from outside the state budget.

##### *Subjective reasons*

- Awareness and thinking of some officials working in the management of non-business units Lao Cai province still has the thought of relying on subsidies of the State;

- A part of public non-business unit managers are good at professional expertise but still have limited knowledge and skills in policy management, economic management, and do not

fully understand the role and importance of the implementation of the mechanism of autonomy, lack of initiative and breakthrough in thinking, awareness and action to generate legal sources of income outside the budget, leading to limitations in the implementation of the financial autonomy mechanism;

- Propaganda and grasping little efficiency, not changing people's perception when enjoying public non-business services must join with the State in sharing and contributing costs;

- Lao Cai province's public non-business units have a low degree of autonomy, the field of economic career is not attractive to investors (low income source; large amount of assets under management; the number of officials and employees is large, difficult to handle when equitizing), so it is difficult to formulate plans for financial restructuring, operating fields and labor restructuring to ensure the feasible when equitizing.

## **5. Recommendation of a Number of Solutions to Promote the Implementation of Reforming the Financial Operation Mechanism of Public Non-business Units Lao Cai Province, Vietnam**

### *5.1 Solutions to Promote Propaganda*

- Lao Cai province needs to strengthen propaganda, raising awareness and responsibilities of all levels, sectors, cadres, civil servants and public employees in the whole political system and creating the consensus of the Lao people. Cai on the policy of renewing the management mechanism, the financial mechanism and reorganizing the system of public non-business units:

- Propagandizing about the goals, meaning and requirements of the reform of the management mechanism, the financial mechanism and the reorganization of the system of public non-business units in Lao Cai province to unify the perception and action of levels, branches and each public servant and employee in the public non-business unit.

- Renew propaganda forms through the mass media, conferences to thoroughly grasp the leadership team, managers and officials working in the organization, personnel and finance in public non-business units.

### *5.2 Solutions to Renovating the Management Mechanism of Public Non-business Units in Lao Cai Province*

- The Government of Vietnam and the Lao Cai province need to continue to improve legal documents to promote the transfer of autonomy to public non-business units in the direction of separating the state management from the application. public service providers with the provision of public services; The governing body does not deeply interfere in the internal operations of the public non-business unit.

- Lao Cai province needs to develop and perfect lists of public services using the state budget, prescribing a roadmap for calculating service prices in line with the state budget's capacity and people's income.

- Building and completing the economic - technical norms for each type of public

non-business unit; criteria for classifying and ranking public non-business units; criteria for evaluating the results of performing tasks and the quality of public services of public non-business units by branch or field.

- Review and complete regulations on the assignment of autonomy and self-responsibility in performing tasks, organizational structure and payroll for public non-business units on the basis of financial autonomy in the direction of to increase decentralization for public non-business units and add a kind of public non-business unit that can ensure recurrent expenditure and part of investment expenditure.

### *5.3 Solutions for Reforming the Financial Mechanism of Public Non-business Units in Lao Cai Province*

- Renewing the investment structure and mode of the state budget:

Convert the method of assigning budget estimates to public non-business service providers to implementing methods of bidding, ordering, and assigning the tasks of providing public non-business services based on the service quality of the unit. provision regardless of public or non-public establishments.

Changing the budgeting mechanism from public service providers to beneficiaries; from the number of payrolls to the form of quantity, quality and price of public services.

The State ensures regular operation funding for public non-business units assigned by the State to provide public non-business services in remote, mountainous, and ethnic minority areas. Few people in the fields of preschool education, general education, preventive medicine, examination and treatment of leprosy, tuberculosis and mental illness; culture, gymnastics, sports, social protection.

- The State provides direct funding for social policy beneficiaries and the poor to buy public non-business services from the market, instead of the service price exemption or reduction regime through the units. public career.

### *5.4 Solutions to Consolidating the Organization of Public Non-business Units in Lao Cai Province*

- The Government of Vietnam and the Lao Cai province need to review and complete the plan for the network of public non-business units by sectors and fields in order to reduce clues, overcome overlaps, spread and overlap. Functions and duties: Consolidating public non-business units with similar functions and tasks into one focal point;

- Resolutely switch to a fully financial self-guarantee mechanism for the group of public non-business units providing highly socialized public services such as universities, research institutes, hospitals, vocational training institutions, etc. on the State basis to implement a roadmap to ensure funding for a term operation.

- Gradually increase the financial autonomy of public non-business units every year, to ensure that by 2025, all public non-business units that partially self-guarantee recurrent costs to guaranteed recurrent funding, not receiving funding from the state budget.



- Transferring self-secured public non-business units with regular operating budget to joint stock companies. Particularly for public non-business units operating in the fields of health, education and training, they should step up their operation according to the mechanism of autonomy, towards complete autonomy and accounting as enterprises.

#### *5.5 Solutions to Improve the Quality of the Contingent of Officials and Employees of Public Non-business Units in Lao Cai Province*

-Building and completing standards for titles of civil servants, public employees and employees in public non-business units.

- Evaluate and classify the quality of the contingent of officials and employees to develop training and retraining plans to improve their capacity, qualifications, and rationally and effectively use this contingent.

- Renovating mechanisms and methods of recruitment and employment of public employees (including leaders and managers); applying information technology to the entrance examination; renewing exam subjects, exam content in recruitment and exam for public employee rank promotion.

- Study on pilot entrance exams and hire executives in public non-business units.

#### *5.6 Solutions to Socialization of Public Non-business Units in Lao Cai Province*

- The Government of Vietnam and the Lao Cai province need to perfect the legal system, preferential policies to encourage the socialization of public services, especially preferential policies on land, taxes, credit, policy on service prices (tuition fees, medical examination and treatment prices, etc.) to create a legal corridor for promoting the socialization of public services.

- Issue policies to encourage and support units to change their operating mechanism through access to concessional loans, support interest rates to invest in strengthening facilities and equipment for the supply public services, corporate income tax incentives.

- Encourage the establishment of public service-providing organizations from non-state sectors, especially in the fields of education - training, health and science, including foreign actors. application and consumption of public services.

## **6. Conclusion**

The overall implementation of solutions: promote propaganda; reform the management mechanism of public non-business units; reform the financial mechanism of public non-business units; consolidating the organization of public non-business units; improve the quality of the contingent of officials and employees; The socialization of public non-business units will contribute to promoting effectively the reform of the financial operation mechanism of public non-business units in Lao Cai province, Vietnam in the process of international economic integrated health.

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