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MODEL 5P FOR ECONOMIC ZONES IN VIETNAM

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Abstract

The Economic Zone (EZ) is an economic term formed in the late 1970s of the twentieth century, originating in China under Deng Xiaoping. The first economic zone of the country is called SEZ (Special Economic Zone) – Shenzhen China. The essence of EZ is a distortion of the Industrial Park (Industrial Park), which was first established in 1896 in England. However, in terms of organization, the functional areas within the EZ are more diverse than the IZs; In particular, the policies of the state have a higher priority, the scale of the territory is often larger. In Vietnam, EZ is a name in Vietnam. In other countries, the term is also known by other names such as the Free EZ, Free Trade Zone, Non-tariff Zone, Tax Free Zone, Export Processing Zone, SEZ Open, Economic Zone . To organize and manage EZs in Vietnam, this article will be addressed in Model 5P to provide an overview of this type of economic zone.

Keywords: Economic Zone, Special Economic Zone, Open Economic Zone, Free Economic Zone, 5P model.

1 INTRODUCTION

At present, in the world in countries like China, India, South Korea, Philippines, Singapore, Malaysia, Thailand, UAE, Taiwan, Vietnam, ... have built EZ models, although there are different names, but the nature of these types are geared towards free EZ. For example, in China there are 5 SEZ (Shenzhen, Shantou, Zhuhai, Xiamen, Hainan). In addition, there are 2,063 Economic Development Zone, which is a kind of free EZ of the local to attract foreign investment in technology. The free-market mode is not limited to a single economic space, but a large administrative unit that is open to the public. Currently, the world's most open city - Hong Kong in China is a symbol of the open city has been built more than 100 years, many cities around the world are heading for this model. The United Arab Emirates, the second-largest city opened in the world, was successfully built in just over 15 years. These two cities have brought a new dimension of free economics.

EZ "we need to study the basic theories and practices of the organization and management of Industrial Zones (IZ) and another form of industrial parks and export processing zone that is (EPZ) for K Sun or EPZ is a component of the EZ.

South Korea, China, India, Russia, Singapore and other developing countries like Ukraine, Kazakhstan, Iran, Jordan, North Korea, the Philippines, Malaysia, Vietnam, other territories such as Hong Kong, Taiwan, ... also in industrialized countries, the model is less organized.

However, in developing countries is accelerating the EZ as a mission to develop the country, though now in the country and even a country with which China has developed soon EZ the world is the Reform Commission and National Development of China said the next administration will probably limit the increase and expansion of the EZ since late 2007.

The argument concerning the organization and management of the industrial park has many studies T U centuries with famous theorists in the world such as the review of industrial zone of A. Weber , Theory of the agricultural belt of G. Thunen, the central theory of W. Christaller, growth pole theory of Perroux Francoi, bell-shaped model developed by Alonso, Theory of

Jean Fourastier three areas, ... Since the theory that the world has many forms of research on industrial organization in the territory of different schools, among them the major contributors of the Soviet AT Khorutsov previously brought a successful great scientific and industrial organizations territory. However, research on organizational models for type management in Vietnam is not mentioned that at present only be made through the establishment decision, and the Regulation on organization and operation of the EZ which the Government has approved, such as economic zones, open economic zone, the border gate economic zone. Do vậy, nghiên cứu về cơ sở lý luận và sự tồn tại của KKT để tổ chức và quản lý là một việc rất cần thiết hiện nay khi mà các quốc gia đang thí điểm về mô hình kinh tế này. Do this, research on basic theory and the existence of the EZ to the organization and management is very necessary today when the pilot countries of this economic model.

Vietnam has great potential of the sea, territorial waters 3 times larger than its land area (which also means that if management is sea we will have a Vietnamese New South almost 3 times now and still be able to see) has 112 estuaries, bays, islands 4000, nearly half of the provinces/cities (28/64) is the sea.

Vietnam is just not dare to stand before the sea and the sea: the new marine economy contributing about 18.6% (oil and gas accounting for 8.6%, mining and processing of marine products 4%, sea transport and 1% tourism; industrial production, construction and other related services for about 5%). Average 1km² coast in the developed countries gained 100 thousand dollars, but in our country get 20 thousand dollars.

Research issues of this economic model is really necessary organizational issues and manage it.

However, this is still new to the field need to be studied systematically from the EZ model in the world for the construction and development in Vietnam. For the reasons above, thesis "organizational model, management of economic zones in Vietnam" should be studied and additional theoretical and a practical model of this economy.

2 MATERIALS AND METHODS

By the method collected from the secondary data of EZ and government in Vietnam for analysis and evaluation through the years of EZ.

Use the data collection method and use the questionnaire to find the relationships of the five variables: Position, Policies, Project, Potential, People.

3 RESULTS

3.1 EZ and 5P model for EZ

From a practical study, it has been found that: In terms of the creation of free EZ forms in a developing country that transforms the economy from a centrally planned to a market economy, most type. Although the name is different, the degree of liberalization is open to foreign exchange, the SEZs of China have common characteristics of having special economic policies and special targets in a defined area. The study by Guang Wen Meng (2003) combined the SEZs of China with different names into a general concept of free EZs, in which free Chinese EZs

are classified as free EZs. Composite, EZ-Free, EZ-Free, Cross-border Free-Trade and EZ, with various forms and names such as SEZ, Economic and Technological Development Zone (TEDZ), integrated development zones (CDZs), new high-tech zones (NHIPs), border trade zones (FFIZs), growth trunnions (GTZs), EPZs, Hong Kong administrative district, Macau. The free EZ in China is considered by many to be successful. Many new forms of free EZs have played a major role in the rapid development of China's economy over the past 30 years, prompting China's reforms to deepen and gradually form the economy. modern market.

In Vietnam, until 2018, there are 16 coastal EZs and 28 EZ border gates. (This study only mentions the coastal economic zone of Vietnam.) Based on individual studies on the organization and management of 16 coastal EZ in Vietnam and the experiences of other countries in the world, it is clear that to successfully build EZs in Vietnam, Five factors: Position, policies in accordance with international practices and policies, with national projects or projects located in the EZ (Project) , have the potential to promote the potential of the place (Potential), human-human resources to meet the organization and operation (People). According to the method of modeling objects with keywords in English, the first letter of each word starts with the letter P, I have given the model 5 variables starting with the letter P, Figure 5P (there is a P-shaped coincidence in Philip Kotler's marketing theory with the 4P model). The contents of the 5P model are as follows:

Position

Recent Chinese and Vietnamese experiences suggest that the formation of EZs is often based on natural factors such as coastal locations, which are usually associated with deep water bays or at the border gate (EZ border). to welcome trade opportunities with your country. From there, formed two types of EZ: EZ coastal and EZ trade gate. Both of these EZs draw on external resources as a goal and motivation. EZs are often far from large cities to obtain a sufficiently large land fund for the formation of an industrial-urban complex and attractive for low rents. On the other hand, it is necessary to select the most advantageous locations, first of all having international ports and convenient transportation with international maritime routes; near the arterial roads, near the EZ, science, culture, social development. The minimum area of an EZ must be greater than 10,000 ha in order to be able to accommodate all types of functional areas inside. The internal distribution of the existing heavy duty units includes: Essentially, these areas must achieve proportions relative to the total charge of an EZ to develop in harmony; In which: general industrial zone accounts for 50%; Export processing zones: 15-16%; commercial areas: 10-12%; Infrastructure: 10-12%; Public service: 8-10%.

Policies

Policies formulation should ensure that factors such as the domestic environment are favorable (the political, social and economic situation of the country must be stable, the trend of market economy development, international integration must be mainstream, exchange relations between EZ freedom and domestic economy must be open ...); (must have friendly relations with all countries, especially the great powers, economic blocs, international organizations). At the same time, a system of administrative and economic institutions should be built in line with international norms that are universal for free EZs in general, including a zero protection barrier, an import / export tariff zero, abolish all tariff barriers; Visa exemption for all tourists, business and trade; allows long-term residence for business managers, technicians ... attractive taxes; Allows business freedom in all areas except for certain sectors that prohibit ... the implementation of administrative autonomy; To ensure the independence of the three powers: the legislature, the executive and the judiciary, the central government is unified in the management of security, defense and foreign affairs. varies according to the free EZ in different countries. But it can be seen that the greater the freedom, the greater the attractiveness. The development of operating regulations for EZ in accordance with international practice, while exploiting the comparative advantages of the national economy. This regulation should be

consistent, easy to understand and easy to implement on the basis of ensuring the principle of "one door, on the spot", management of EZ access should be strict, however, avoid the cumbersome procedures And security should be ensured for EZ with feasible and effective measures.

Project

The construction of key projects or projects should take one of the basic factors as a nucleus, as a driving force for development, such as land border, deep-sea bays, or a key project, EZ is not just a clear boundary, it has its own policy and role as a driving force for regional development, but needs to be complemented by a number of factors such as the EZ formed in the area. The most favorable point for attracting external resources in relation to the internal market, having a land bank wide and not close to the crowded residential area, is organized to facilitate the management and merit. Key to motivation for development. For example, in EZ Dung Quat, Nghi Son and Nam Phu Yen, the national key oil refinery project was established; At Van Phong EZ formed a deep-sea port; EZ Chan May-Lang Co, Van Don to form high-end ecological tourism area, ...

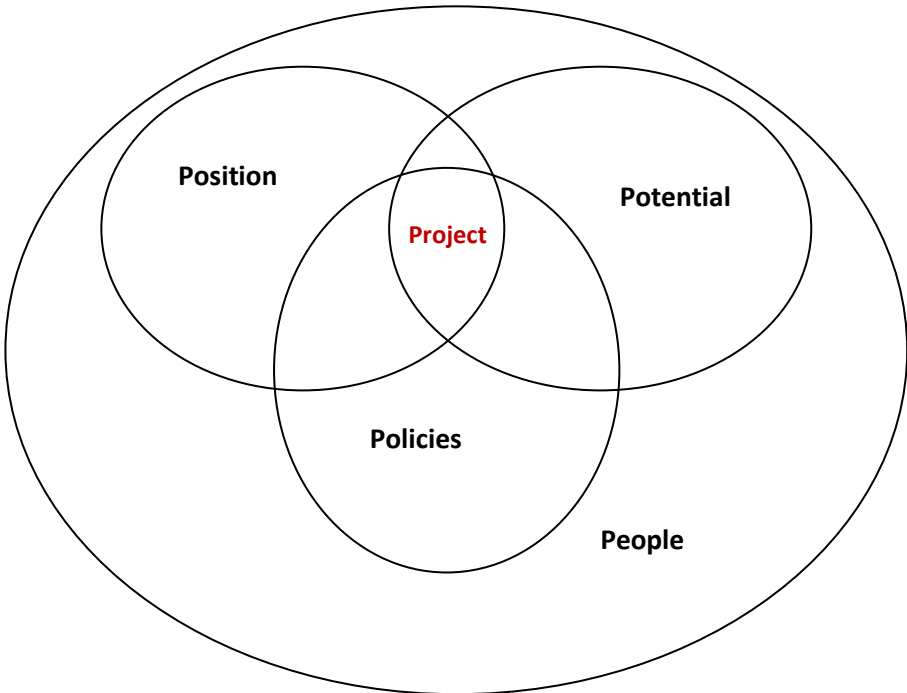
Potential

This is an element that promotes local potential and influences the development of the surrounding area. However, in Vietnam, when building EZs, this factor is often less noticeable, so EZ, which often has the same spatial structure of the same functional areas, has not been able to promote the potential in situ about nature, resources. The EZs are separate, yet EZs really do have the power to influence other EZs to evolve.

People

This is a very important element. This factor requires the selection of a human resource from the experts to the managers of modern thinking, the heart of the country. Human resources are abundant in quantity and trained appropriately. The management of EZs needs to be neat and light, with highly qualified staff who are knowledgeable in economics, law, foreign languages and organizational capacity, have a strong political background and expertise. gold. The stage of formation of EZ specialties in China can be drawn 3 points to note: to arrange the structure of the profession is reasonable; Mechanisms must be flexible to adapt to the market; The level of management and qualifications of workers must be adapted to the requirements of the special area.

Figure 1 – The Model describes the factors for organizing and managing EZ by Venn diagram as follows: (5P Model)



3.2 5P Model for EZ in Vietnam - some suggestions.

From the practical point of view, through the 5P model for EZ in Vietnam, we propose some ideas as follows:

Firstly, for EZ types, in Vietnam, there should be such types as EZ gate and EZ coastal as the last time was held. (Vietnam currently has 3,260 km of coastline with 28 out of 64 coastal provinces and cities and 30% of coastal population. At the same time, through research on open cities, special economic zones, economic development zones, etc., there should be only open economic zones in Vietnam.

Considering the outstanding advantages of geo-economic, in Vietnam should transfer EZ Nam An Thoi-Phu Quoc and Van Don Quang Ninh province into two special economic zones. These are areas with deep water ports, international airports being built. On October 1, 2008, the United States Millennium Migration (MIGS) has presented to Quang Ninh PPC leaders the first EZ Van Don planning scheme with the vision of becoming a free EZ. Best. In addition, the Government proposed that one of these two island districts become centrally-run administrative units to have separate policies for attracting key national investment. Moreover, in the EZ development plan of Vietnam by the Government until 2020 with a vision to 2030, it has also been determined that in the North, EZ Van Don in Quang Ninh province will be firstly "open" Facing the sea, developing towards economic integration with Northeast Asia, in the cooperation of two corridors and one belt economic in the Gulf of Tonkin. In the south, EZ Phu Quoc, Kien Giang Province became an "open gate" to the sea and ASEAN economic integration.

Considering the nature of the Regulations promulgated by the Government for the Chu Lai open EZ, there is no big difference for the remaining EZs. On the other hand, EZ open Chu Lai also does not show the superiority of geo-economic and investment attraction policy. Thus, this EZ is just a normal sea EZ without the need for an "open" tag to avoid misunderstanding when compared to other EZ openings in the world. Investors, especially foreign investors, for EZ are open in Vietnam while the government does not have separate regulations for this type.

Secondly, in terms of mechanisms and policies applicable to EZ types. Recently, in order to create the development of EZs, the Government has issued many guiding documents, especially Decree No. 29/2008 / ND-CP dated March 14, 2008 of the Government. economic zones and industrial parks and Decision No. 1353/QD-TTg approving the Scheme on "Planning on development of Vietnam's coastal economic zones up to 2020" Based on the analysis and reference: The successes and failures of many countries and the actual organization and operation of EZs in Viet Nam over the last 15 years have shown that to better organize and manage EZs in Viet Nam, the Government should Early approval of the master plan for industrial development; In particular, there are plans to develop EZs in the whole country and at the same time assign the Ministry of Planning and Investment to coordinate with the concerned branches and localities in elaborating the detailed planning of EZ networks in each region. the provincial. The network of EZs must be within the framework of the planning strategy and socio-economic development programs of the whole country, each region and in the overall solution of territorial structure and city construction. open economy of the country. In building EZ, special attention should be paid to meeting the natural, geographic, socio-economic conditions; In particular, there is a problem of EZ infrastructure. This is a key factor. The state needs to have a specific program in place to call for infrastructure investments in EZs and need immediate plans to build infrastructure outside the EZ; In that, we need to stratify the time of each stage to form the EZ. On the other hand, the industry structure of each EZ needs to be adapted to meet the new world market requirements, avoiding the "lucrative" industries in the EZ. Financial management in EZ should be studied carefully, simple, easy to implement and in line with international practice. There is no need for a large financial incentive for businesses operating in the EZ, but it should not set a lot of revenue that undermines the EZ.

For EZ coastal and EZ border gates, the government should have common regulations and policies for these types. For special economic zones, there should be separate policies.

Third, The roadmap for each type of EZ. In general, the roadmap for developing EZs in the world is almost always necessary. China's experience shows that for Hong Kong, the world's most open city, it takes more than 100 years, the Shenzhen Special Economic Zone takes 30 years. The free EZ in Korea takes 50 years. Singapore took nearly 40 years. The roadmap to open the city was only 15 years old. This is also the EZ model opened by the EZ Vietnam is heading to.

For Vietnam, there are currently two types of EZ; that is EZ gate and EZ coastal area. These two forms are in line with current socio-economic development situation in Vietnam. The proposal of two SEZ in Vietnam is very necessary, as this is a new breakthrough of Vietnam in the strategy of marine economic development. At present, Vietnam has no conditions to build its own open city can still build new city in the heart of the open SEZ. At the same time, it is necessary to consolidate and develop existing EZs, without setting a roadmap that every province has EZ as the last time. According to us, the EZ planning of Vietnam to 2020 with the number of 16 EZ is very suitable policy for the current socio-economic development of Vietnam, Especially, should form 2 SEZ to From there it is possible to build the city open in the heart of SEZ like Shenzhen or Dubai.

In fact, in Vietnam, industrial zones and export processing zones have been established and developed up to now for almost 25 years but it is only the first step, not enough to create an appearance for an industrial country. Therefore, the fastest roadmap for EZ in Vietnam at least 20-30 years from 2018 onwards can confirm its initial success. Therefore, the government should boldly apply the concession (this is the form of state franchise for public administration and for foreign individuals to carry out certain business activities in their territory such as mining useful constructions, construction and operation of enterprises, ... State-assigned concession to private or foreign private companies, governed by the laws of that country) to build SEZs and Streets open in the heart of the SEZ.

Fourth, on EZ management decentralization. It is necessary to develop a system of organization and management of EZs, including management boards nationwide from central to local levels (where EZ is available). In the above countries, the superiors of the EZ management boards are well defined: the agencies directly under the Government or the departments or sub-departments under the Ministry. In Vietnam now, the EZ is under the provincial People's Committee and the direction of the Ministry. This has created many levels of management, in our opinion, the higher authorities of the EZs should be assigned to the Ministry of Planning and Investment for direct management is most appropriate, because the formation and development of the EZ It is not only related to domestic and foreign investment but also to the process of economic restructuring and economic development policy. in the long future of the country. On the other hand, policies and measures are needed to build and operate the infrastructure outside the EZ fence, ensuring consistency and enabling each EZ to communicate with the external environment. as it exerts its influence. At the same time, research needs to be done to separate three types of activities, as many have already done and are doing: infrastructure construction and business under state-approved planning and developed by the infrastructure company. present; services for production, import and export and activities organized by specialized companies; Collection of fees and maintenance of public utilities made by specialized organizations of local governments.

In addition to the EZs that have been established and are in operation, it is important to evaluate the potential of each EZ, both in terms of infrastructure and the ability to attract investments into the EZ. Reorganizing investment mobilization to promote effectiveness, improve quality and unified management of this important activity for EZ. The choice of partner plays a decisive role in the success of an EZ. Therefore, adequate effort must be devoted to the investigation

and selection of partners in the EZ. On the other hand, there must be budget or financial resources for the propaganda, promotion, organization of seminars, introduction widely at home and abroad; Particular attention should be paid to the training of qualified personnel in charge of investment mobilization. It is possible to combine and consolidate and develop EZ simultaneously with the opening of centralized IZ. In IZ, it is possible to have an export processing zone to create favorable conditions for investors depending on the needs of production-business development and to participate in export processing zones or IZ if the products are mainly for export. it will invest in export processing zones, if mainly domestic consumption will invest in IZ and subject to the provisions of the Law on Foreign Investment.

4 CONCLUSION

Firstly, the form of FEZs to facilitate large corporations converging and operating in the context of globalization will not only disappear, but continue to have great appeal and create making great breakthroughs in both economic scale and territorial space layout. Therefore, we suggest that, in the thinking of marine economic development, along with the construction of coastal economic zones, it is possible to study and select some construction sites as economic zones themselves. by the coast, to create a breakthrough large enough, opening a period of economic development of the sea with the goal of "becoming a strong country on the sea, enriched by the sea."

Secondly, economic zones in general and FEZs in particular focus on exploiting the strengths, especially in terms of geographic location (coastal areas, convenient transportation ...). , on socio-economic conditions (near or within a city, good human resources, good markets, etc.). Recommendation, the construction of coastal economic zones in Vietnam should also study more specific areas of strength to guide the development of each zone into a number of specialized areas, avoid the situation of This economic zone has no significant difference.

Thirdly, successful FEZs share the following points: modern institutions, international law, diverse development resources and high levels of concentration, It is the convergence of the world's leading companies. The proposal to select one of the above-said coastal economic zones shall apply the experiences of the free economic zones of the above-mentioned countries and build into Vietnam's free economic zone in the 2011-2015 period. 2020.

Fourthly, in order to build and develop coastal economic zones, especially in accepting the idea of building some coastal economic zones, it is very practical to create brand names for them useful. Recommend, continue propaganda and organize the contribution to build the brand of Vietnam Sea in general, the brand of each marine economic zone in particular.

In a nutshell, in most countries, there is an increasing tendency to remove tariff barriers, barriers to economic protection to create an open area, an open city and an open country. door. In that trend, the existence of EZ in developing countries such as Vietnam is needed and the 5P model is a way of looking at building an EZ in Vietnam.

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