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**DECENTRALIZATION OF STATE BUDGET
MANAGEMENT IN HANOI CITY IN TERMS OF
APPLYING THE URBAN GOVERNMENT MODEL**

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SUMMARY OF ECONOMIC DOCTORAL THESIS

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The Thesis can be referred at:

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INTRODUCTION

1. The urgency of the research topic

Hanoi is a special city, the economic - political - cultural center of the country. Currently, Hanoi has the second largest population in the country. Economic, cultural - social activities and people's lives are intertwined between urban - rural elements and are increasingly shifting towards urbanization. Compared with rural local governments, urban governments are responsible for large-scale service delivery, with exogenous factors affecting more provinces and cities. Therefore, in order to ensure the capacity, financial and budgetary scale to ensure the fulfillment of specific responsibilities of urban governments, it requires greater decentralization of state budget management for urban governments.

Over the years, the decentralization of state budget management between the central government and local authorities in Hanoi and the decentralization of state budget management between the city government and the district and commune authorities in Hanoi have followed closely State Budget Law, characteristics of the Capital and there have been successes. However, Hanoi's decentralization of state budget management also has some shortcomings such as: Decentralization of state budget management is not closely tied to the requirements of socio-economic management decentralization in the locality; State budget management decentralization is not suitable for the application of urban government model.

Implementing Resolution No. 97/2019/QH14 of the National Assembly, Hanoi has piloted the organization of an urban government model from July 1, 2021. In the context of globalization, international and regional economic integration, the economic context in the country and in Hanoi has changed a lot.

The challenges of urbanization, international integration, population growth, pressure on infrastructure, traffic, environment, security and order, etc. require that Hanoi's state budget management decentralization must also be changed to suit the urban characteristics of the capital. In the pilot application of the city, there is no organization of the People's Council at ward level in the areas

of Son Tay districts and town, the People's Committee of the ward is the estimating unit directly under the People's Committees of the districts and towns. Therefore, when the wards are no longer budgetary, there will be no more revenue sources and expenditure tasks according to the decentralization in the Resolution of the City People's Council. Therefore, the decentralization of revenue sources, spending tasks, and percentage of revenue distribution among budget levels need to be adjusted appropriately when applying the urban government model in pilot.

In order to contribute to promoting the positive factors and overcome the limitations of decentralization of state budget management in Hanoi, especially in terms of applying the urban government model, the author chooses the topic *"Decentralization of state budget management in Hanoi City in terms of applying the urban government model"* to do my doctoral thesis.

2. Overview of research works related to the thesis topic

Many research works have been carried out related to further promoting the decentralization of state management between the central government and the local government, giving more power to local authorities in state budget management to meet the requirements of public administration reform. However, there are still many issues related to the decentralization of state budget management that need to be studied further. Through studying the content of published works at home and abroad, the author has identified research gaps including: Firstly, research works have not systematized the theory of decentralization of state budget management in urban areas; Secondly, there have been no studies on decentralization of state budget management in Hanoi in terms of applying the two-level urban government model; Third, research works have not focused much on the solution of decentralization of state budget management in urban areas in terms of applying the two-level urban government model. Therefore, the author's selection of the research topic *"Decentralization of state budget management in Hanoi City in terms of applying the urban government model"* is independent, does not overlap with any other research.

3. Research objectives and tasks of the thesis topic

3.1. Research objectives

Proposing a system of viewpoints, orientations and possible solutions to improve the decentralization of state budget management among local authorities in Hanoi in terms of applying the urban government model to 2030 with a vision to year 2045.

3.2. Research tasks

First, an overview of research works related to the decentralization of state budget management.

Second, systematize the theory of decentralization of state budget management in urban areas (cities directly under the central government), which focuses on clarifying the theory of decentralization of state budget management among local government levels in urban areas. Develop qualitative and quantitative criteria to evaluate the decentralization of state budget management in urban areas.

Third, study domestic and international experiences on decentralization of state budget management in cities that are implementing urban government models.

Fourth, scientifically analyzing and evaluating the state of decentralization of state budget management among local government levels in Hanoi in the period 2011 - 2022; clarify the results, limitations and causes of restrictions.

Fifth, provide views, orientations and a system of possible solutions to perfect the decentralization of state budget management in Hanoi in terms of applying the two-level urban government model.

4. Objects and scope of the thesis research

4.1. Research objects

The research object of the thesis is the theoretical and practical issues of decentralization of state budget management in urban areas.

4.2. Research scope

Research content:

The thesis studies the decentralization of state budget management among local government levels, including urban government and rural government, in urban areas. The thesis does not study the decentralization of state budget

management in the implementation of the budget cycle, the decentralization of state budget management in the budgetary units.

The thesis focuses on research on decentralization of state budget management among local government levels in urban areas, including three contents: (1) Decentralization of state budget revenue management; (2) Decentralization of state budget expenditure management; (3) Intergovernmental transfers.

Research Spaces:

The thesis research on the practice of decentralization of state budget management in Hanoi, survey of domestic experience on decentralization of state budget management in Ho Chi Minh City, international experience on decentralization of state budget management in some major cities in the world.

Research time:

Experience in decentralization of state budget management in Ho Chi Minh City in the period 2017-2022; Experience in decentralization of state budget management in some major cities in the world in the period 2006-2022; The practice of decentralization of state budget management among local government levels in Hanoi was studied in the period 2011 - 2022. Perspectives, orientations and possible solutions to perfect the decentralization of state budget management in Hanoi to 2030 with a vision to 2045.

5. Research methods

On the basis of the methodology of dialectical materialism and historical materialism, the author has used the following specific research methods: Statistical method of data; methods of analysis, synthesis and summarizing experience; methods of investigation and survey; historical method; comparative method; expert method...

6. New contributions of the thesis

Scientific contributions: The thesis has clarified the characteristics of the local government management model and decentralized state budget management in urban areas. The thesis has built quantitative and qualitative assessment indicators on decentralization of state budget management between

city-level and district-level governments. Based on research on lessons learned about decentralizing state budget management in some large cities in the world and Ho Chi Minh City, the author has drawn lessons for the decentralization of state budget management between local government levels in Hanoi under the conditions of applying the two-level local government model.

Practical Contributions:

The thesis has evaluated and analyzed factors affecting the decentralization of state budget management in Hanoi in the period 2011-2022 as well as the impact of the two-level urban government model on decentralization of state budget management in Hanoi in the coming time.

The thesis analyzed the current state of decentralization of state budget management among local government levels in Hanoi in the period 2011-2022 through qualitative and quantitative indicators proposed by the author. The thesis has drawn conclusions about the achieved results, limitations and subjective and objective causes leading to limitations in decentralization of state budget management in Hanoi.

From theory, reality, and experience, the thesis has proposed perspectives and orientations for decentralizing state budget management among local government levels in Hanoi until 2030, with a vision to 2045. The thesis has proposed 04 groups of solutions to improve the decentralization of state budget management between local government levels in Hanoi under the conditions of applying the two-level urban government model, including: Solutions to complete the decentralization of state budget revenue management, solutions to complete the decentralization of state budget expenditure management, solutions for state budget transfer and solutions to support the completion of decentralization of state budget management. In order for the solutions to achieve high results, the author has proposed recommendations to the Central Government to implement solutions to improve the decentralization of state budget management in Hanoi.

7. Thesis structure

In addition to the Introduction, Conclusion, List of published works related to the thesis, the list of references and appendices, the structure of the thesis

consists of 3 chapters:

Chapter 1: Theory and experience on decentralization of state budget management in urban areas;

Chapter 2: Current status of decentralization of state budget management in Hanoi City;

Chapter 3: Completing the decentralization of state budget management in Hanoi City in terms of applying the urban government model.

Chapter 1

THEORY AND EXPERIENCE ON DECENTRALIZATION OF STATE BUDGET MANAGEMENT IN URBAN AREAS

1.1. URBAN GOVERNMENT, STATE BUDGET AND STATE BUDGET SYSTEM

1.1.1. Urban government

1.1.1.1. The concept and characteristics of urban government

1.1.1.1.1. The concept of urban government

Urban government is the local government in a city of a country, organized in accordance with the characteristics of political, economic, cultural, social, and natural conditions of the city. to manage urban problems.

1.1.1.1.2. The characteristics of urban government

Firstly, the organization of urban government must not create many cuts in the organization of administrative management levels within the territory of the city, the division of subordinate administrative units is only relative.

Second, the level of decentralization and decentralization for urban government is mainly handled in the relationship between different levels of government in order to improve autonomy and self-responsibility in the decision of urban authorities on urban management and development.

Third, the model of urban government is diversified, depending on the location, role and characteristics of each type of city.

Fourth, the characteristics of the city government and decide the organizational model, apparatus, authority, responsibility, and mode of operation of the urban government.

1.1.1.2. Models of urban government

From the history of urban government organization in countries around the world, it is possible to generalize some popular urban government models in centrally run cities as follows: Urban government model "One level of government, two levels of management"; Urban government model "One level of government, three levels of management"; Urban government model "Two levels of government, three levels of management"; - Urban government model "Three levels of government, three levels of management".

1.1.2. State budget

State budget means all revenues and expenditures of the State that are estimated and executed within a certain period of time decided by a competent state agency to ensure the performance of the State's functions and tasks prescribed by the Constitution.

1.1.3. State budget system and state budget system organization

1.1.3.1. State budget system

The state budget system is the totality of budget levels, between them there is an organic relationship with each other in the process of mobilizing, managing revenue sources and performing expenditure tasks of each budget level. The state budget system is organized based on the organizational principles of the state, in order to ensure that the State performs its functions and tasks.

1.1.3.2. State budget system organization

1.1.3.2.1. The concept of state budget system organization

Organization of the state budget system is the construction of a budget system at all levels, determining the relationship between budgets at all levels in the state budget system according to certain principles, determine the operating mechanism of the state budget system and stipulate the powers and

responsibilities of the authorities at all levels in budget management at all levels in order to ensure that the state performs its functions and tasks.

1.1.3.2.2. Principles of organization of the state budget system

First, the principle of unity in the organization of the state budget.

Second, the principle of independence and autonomy of state budget levels.

Third, the principle of power concentration is based on the delimitation of authority among different levels of state administration in budget activities.

1.1.3.2.3. Organizational basis of the state budget system

Firstly, based on the state structure and organization of the state government system.

Second, the basis of decentralization of socio-economic functions.

1.1.3.2.4. Organizational models of the state budget system

First, the organizational model of the federal state budget system.

Second, the organizational model of the unitary state budget system.

1.2. DECENTRALIZATION OF STATE BUDGET MANAGEMENT IN URBAN

1.2.1. Decentralization of state budget management

1.2.1.1. Concept

State budget management decentralization is the division of resources and expenditure responsibilities for each budget level, and determine the scope, responsibilities and powers of the authorities at all levels in deciding mechanisms and policies on the state budget.

1.2.1.2. Forms of decentralization

1.2.1.2.1. According to the implementation of the contents of the decentralization

De-concentration is considered the weakest form of decentralization; it reallocates decision-making authority and financial and management responsibilities among different levels of the organization.

Delegation is a broader form of fiscal decentralization. Through delegation, central governments transfer responsibility for decision-making and management of public functions to semi-autonomous organizations not fully controlled by the central government, but ultimately responsible for that organization.

Devolution is the third form of fiscal decentralization. When governments divide functions, they transfer decision-making, finance and management to semi-autonomous units of local government as enterprises.

1.2.1.2.2. According to the level of implementation of the content of the decentralization

(i) Self-finance or offset costs through user fees;

(ii) Co-financing or co-production arrangements through which users participate in the provision of services and infrastructure through monetary or labor contributions;

(iii) Expand local revenue through consumption tax, property tax or indirect fees;

(iv) Transfer between budget levels to transfer the general revenue from taxes collected by the central government to local governments to perform assigned tasks or carry out specific programs, tasks or projects;

(v) Allowing municipal borrowing and local governments to mobilize resources at the local or national level through loan guarantees.

1.2.1.2.3. According to content of the decentralization

First, the division of revenues among budget levels and the scope, responsibilities and powers of governments at all levels in deciding mechanisms and policies on state budget revenue.

Second, the division of expenditure responsibilities among budget levels and the scope, responsibilities and powers of governments at all levels in deciding mechanisms and policies on state budget expenditure.

Third, the division of responsibility for supplementing the budget of the superior government to the budget of the lower level and the scope, responsibility and authority of the government at all levels in deciding on mechanisms and policies on budget regulation.

1.2.2. Basic features in decentralization of state budget management in urban areas

Urban government needs to be more decentralized, have greater budget autonomy to ensure the implementation of specific responsibilities of urban government, as demonstrated by:

- (1) The right to determine the city's own collection policy;
- (2) Ratio of urban budget in total national budget;
- (3) The degree of autonomy of the city in allocating budget expenditures.

1.2.3. Basis for decentralization of state budget management in urban areas

1.2.3.1. State structure and organization of state government system in urban areas

1.2.3.2. Decentralization of socio-economic functions for the government in urban areas

1.2.4. Principles of decentralization of state budget management in urban areas

The first principle: Decentralization of state budget management in urban areas must ensure transparency, accountability and efficiency.

The second principle: Decentralization of state budget management must ensure the centralization and consistency of the superior budget and the positivity, initiative and creativity of the lower budget.

The third principle: The decentralization of state budget management in urban areas must be consistent with the socio-economic management decentralization, the urban government organizational model and the management level of state governments at all levels.

1.2.5. Contents of decentralization of state budget management in urban areas

1.2.5.1. Decentralization of state budget revenue management

Decentralization of state budget revenue management is the division of state budget revenues and powers and responsibilities in deciding on mechanisms and policies for state budget revenue.

Decentralization of revenue to a level of government is the transfer of powers and responsibilities to that level of government for nurturing, mobilizing and using revenue to perform expenditure tasks.

1.2.5.2. Decentralization of state budget expenditure management

Decentralization of state budget expenditure management is the decentralization of state budget expenditure tasks and division of powers and responsibilities in deciding on mechanisms and policies for state budget expenditure among different levels of government.

Decentralization of state budget expenditure tasks is the division of state budget expenditure responsibilities among different levels of government.

1.2.5.3. Intergovernmental transfers

Supplementing budgets from upper-level governments to lower-level governments is a major source of local government revenue in most developing countries.

Budget supplements can be divided into two types: General (unconditional) and conditional budgetary supplements.

1.2.6. Indicators for assessing decentralization of state budget management in urban areas

1.2.6.1. Quantitative Indicators

Quantitative indicators assessing the level of decentralization of state budget management can be divided into two groups: Group of indicators assessing the level of state budget management decentralization; and Group of

indicators to evaluate the effectiveness of decentralization of state budget management.

(1) Group of indicators to assess the level of decentralization of state budget management

- The indicator assesses the level of budget expenditure decentralization;
- The indicator assesses the level of budget revenue decentralization;
- Budget Supplement Dependency Indicator;
- The composite indicator that assesses the degree of autonomy in local governments in terms of budget revenue and expenditure.

(2) Group of indicators to assess the efficiency level in the decentralization of state budget management

- The indicator assesses the proportion of local budget revenues and expenditures
- The indicator assesses the level of source transfer expenditure compared to the actual budget expenditure.

1.2.6.2. Qualitative Indicators

- Assess the degree of correspondence between decentralized local budget expenditures with the responsibility of providing public goods and services in urban areas.
- Assess the level of decentralization of decision-making authority on state budget revenue in urban areas.
- Assess of efficiency and fairness in budget reconciliation.

1.2.7. Factors affecting the decentralization of state budget management in urban areas

1.2.7.1. Subjective factors

1.2.7.1.1. Organizational apparatus, operation mechanism, management level of urban government management apparatus

1.2.7.1.2. The nature and degree of decentralization of administrative, economic and social management among urban government levels

1.2.7.2. Objective factors

1.2.7.2.1. Natural, economic and social characteristics of the city

1.2.7.2.2. Decentralization of administrative, economic, social and budgetary management between central and local governments

1.2.8. The role of decentralization of state budget management in socio-economic development in urban areas

1.3. EXPERIENCE IN DECENTRALIZATION OF STATE BUDGET MANAGEMENT IN URBAN AND LESSONS LEARNED FOR HANOI CITY

1.3.1. Experience in decentralization of state budget management in some cities around the world

1.3.1.1. Decentralization of state budget expenditure management

1.3.1.2. Decentralization of state budget revenue management

1.3.1.3. Intergovernmental transfers

1.3.2. Experience in decentralization of state budget management in Ho Chi Minh city

1.3.3. Lessons learned for Hanoi City

Decentralization of state budget management in urban areas must be institutionalized by the constitution and separate laws. Measures should be taken to promote cooperation among all levels of local government, between the government and the people. It is necessary to strengthen the supervision of both superiors and local people.

The management level of state budget expenditure ensures a clear decentralization of budget expenditure tasks for all levels of government in urban areas. Allow the urban government to stipulate a number of expenditures and norms suitable to the income source and price conditions of that urban government.

Decentralization of state budget revenue management needs to effectively mobilize financial resources to build urban government. Allowing collection of a number of specific revenues, suitable to socio-economic conditions and

expanding 100% local revenue in association with the division of responsibility for urban service provision.

Intergovernmental transfers should be in the direction of gradually focusing on targeted subsidies on the basis of output efficiency, creating spillovers to other areas such as infrastructure and transportation.

Chapter 2

CURRENT STATUS OF DECENTRALIZATION OF STATE BUDGET IN HANOI CITY

2.1. OVERVIEW OF THE MODEL OF URBAN GOVERNMENT AND SOCIAL DEVELOPMENT OF HANOI CITY

2.1.1. General introduction about Hanoi City

2.1.2. Model of urban government in Hanoi City and its impact on decentralization of city budget management

2.1.2.1. Model of urban government in Hanoi City

2.1.2.2. The impact of the urban government model on the decentralization of state budget management in Hanoi City

2.1.3. The socio-economic development situation of Hanoi City affects the decentralization of city budget management

2.2. CURRENT STATUS OF DECENTRALIZATION OF BUDGET MANAGEMENT BETWEEN LEVELS OF LOCAL GOVERNMENT IN HANOI CITY FOR 2011 – 2022

2.2.1. Status of the budget system of Hanoi City

2.2.2. Decentralization of state budget revenue management

Percentage distribution between budget levels

In the period of 2011-2016, Hanoi has 07 districts to ensure their own

budget balance: Hoan Kiem, Ba Dinh, Dong Da, Hai Ba Trung, Thanh Xuan, Cau Giay, and Nam Tu Liem.

The rate of regulation of revenues distributed to each district and town was redefined in the period 2017-2021, which increased the ability to self-balance budgets for districts in this period, increasing from 7 to 10 districts: Hoan Kiem, Ba Dinh, Dong Da, Hai Ba Trung, Thanh Xuan, Cau Giay, Nam Tu Liem, Tay Ho, Hoang Mai, Long Bien.

City-level budget revenue

In the period 2011-2016, city-level budget revenues have grown over the years, in 2013 alone, city-level budget revenues decreased by 9% compared to 2012. In 2016, city-level budget revenue grew the fastest in the period at more than 27%.

In 2017, city-level budget revenue after adjustment from decentralized revenues only increased slightly below 3% and in 2018 grew again rapidly, over 18% compared to 2017. In 2019 and 2020, due to the impact of Covid-19, the city's budget revenue according to decentralization decreased compared to 2018. By 2021, the city-level budget revenue enjoyed by decentralization has increased higher than before the pandemic.

District budget revenue (including commune budget)

Budget revenues of districts, towns, and towns enjoyed according to decentralization in the 2011-2021 period have a stronger growth than the local state budget revenue, local budget revenue, and city-level budget revenue of Hanoi, demonstrating the strengthening of decentralization of budget revenue for districts.

2.2.3. Decentralization of state budget expenditure management

City-level budget expenditure

In the period from 2011 to 2021, the level of revenue decentralization for the city budget decreased in 2013 and tends to increase continuously until 2018 with the highest level of city-level budget revenue and expenditure matching in

2018 at 133.4%, but then decreasing to 97.8% in 2019 and 101.0% 2020. By 2021, this index has increased again to 135.4%.

District budget expenditure (including commune level)

In the period from 2011 to 2021, the level of decentralization of revenue sources for the budget of districts, districts and towns is low compared to the spending tasks although the level of decentralization of revenue has increased, it is still slower than that of spending tasks in the same period.

The level of budget expenditure decentralization for districts, towns in the period 2013-2021 increased sharply compared to the period 2011-2012, but in 2021 this index has decreased to a lower level compared to 2013.

In general, the level of budget decentralization for districts, districts and towns in Hanoi has increased but not much.

2.2.4. Intergovernmental transfers

Additional revenue from the city-level budget for districts, towns and cities accounts for a high proportion of the city's total local budget revenue, averaging about 45% of the total local budget revenue. Additional revenues from the city-level budget for Hanoi's districts, townships and towns include: balanced additional revenue, targeted additional revenue.

2.3. GENERAL ASSESSMENT OF THE STATUS OF DECENTRALIZATION OF BUDGET MANAGEMENT BETWEEN LEVELS OF LOCAL GOVERNMENT IN HANOI CITY FOR 2011 – 2022

2.3.1. Achievements

The regulations on decentralization of state management and decentralization of budget management in Hanoi have clearly defined the tasks and responsibilities of management at all levels. Basically, the decentralization of budget management in Hanoi has been appropriate and positively affected the management, exploitation of revenue sources and the implementation of socio-economic development tasks in the locality. The city has promoted the decentralization of budget management to the district and commune levels according to the Government's policy, ensuring it is realistic and suitable to the

conditions and capabilities of each district. Maximum decentralization of revenue sources for districts, towns, contributing to improving the dynamism of district and commune governments. The city has clearly defined the spending tasks of the budgets at all levels. The efficiency of public resource allocation has improved.

2.3.2. Limitations and causes

2.3.2.1. Limitations

Limitations on decentralization of state budget revenue management

Decentralization of revenue sources for the district compared to decentralization of spending tasks is at a low level; the decentralized revenues have not met the requirements of spending tasks, including the districts that have self-balanced budget revenues and expenditures such as Thanh Xuan district, Ha Dong district; The allocation of land use levy revenue sources is not reasonable; Decentralization of land and water surface rental fees (excluding revenue from foreign-invested enterprises) is still inadequate; Decentralization of personal income tax revenue to districts according to the type of enterprise, not according to the criteria of the agency managing budget revenue, causing difficulties in the process of accounting and regulating revenues; Decentralization of budget revenues of districts and wards has been slowly revised to suit the urban government organizational model; Decentralization of budget revenue management has not yet made any difference between the types of administrative units of districts and districts in terms of principles and principles in decentralization, only different regulations on the ratio; Districts (rural) oriented to upgrade to district (urban) have not been able to balance their budgets.

Limitations on decentralization of state budget expenditure management

Decentralization of tasks for a number of expenditure contents are not suitable with the socio-economic management decentralization; Although the annual budget provides financial support to vertical units in the area (judicial agencies, courts) and other local support to overcome the consequences of natural

disasters, implement the National Target Program but the city does not specify this spending task; Hanoi's state budget expenditure management decentralization still has a low proportion of investment spending from the state budget in the total city budget expenditure, reducing the efficiency of state budget management decentralization.

Limitations on intergovernmental transfers

Determine the targeted supplement from the superior budget to the subordinate budget that is not yet associated with the performance of the task.

2.3.2.2. Causes

Subjective causes

The organization of collection is not suitable for decentralization of revenue sources; The professional qualifications of Hanoi's managers have not been met; Hanoi's state budget management has not used information technology effectively; Some contents of decentralization of socio-economic management are not really appropriate; Some localities have not actively balanced their budgets to arrange estimates for spending tasks under their respective responsibilities; The investment project management process has many stages and complicated and cumbersome procedures; The handover and receipt of the list of works as decentralized between the management units of the city and the district have not met the schedule; Lack of proper attention to monitoring, inspection, evaluation and supervision from the city's local authorities at all levels in state budget management; The investment field still has limitations and obstacles that reduce the efficiency of state budget management decentralization; Centralized procurement includes too many stages, the processing process is lengthy at each agency and unit, leading to frequent delays in not responding in time to the work requirements of agencies and units.

Objective causes

The promulgation, amendment and supplementation of regimes, policies, standards and norms of the State is still slow compared to actual requirements; The criteria for socio-economic development between urban and rural areas of

districts in Hanoi have not been clearly distinguished by the State; The Government prescribes too detailed and specific spending tasks for each item, which reduces the initiative and is not suitable with the reality of the city; The city has not yet been decentralized for state management in many fields because ministries and branches have not really dared to decentralize; The contents of decentralization for the city have not yet been guided, checked and supervised by the central government in a timely manner; Decentralization of socio-economic management of the central government for Hanoi still has limitations; Specific financial mechanisms and policies mainly related to taxes, fees and charges fall under the jurisdiction of the National Assembly, the National Assembly Standing Committee, and the Government or being controlled by the budget expenditure norms that the central government has fixed a specific expenditure level or set a maximum level, so it is difficult to implement; Decentralization of central budget management for the Hanoi government still has shortcomings; The conversion of land use purposes for rice cultivation from 10 hectares or more falls under the Prime Minister's authority and has not yet created the city's ability to attract investment and socio-economic development; Inadequacies in the Land Law cause difficulties in the process of compensation, support, resettlement and site clearance. This makes the cost of source transfer in the city very large, reducing the efficiency of state budget management decentralization.

Chapter 3

COMPLETING THE DECENTRALIZATION OF STATE BUDGET MANAGEMENT IN HANOI CITY IN TERMS OF APPLYING THE URBAN GOVERNMENT MODEL

3.1. OBJECTIVES, ORIENTATIONS FOR SOCIAL ECONOMIC DEVELOPMENT AND VIEWPOINTS AND ORIENTATIONS FOR COMPLETING THE DECENTRALIZATION OF STATE BUDGET MANAGEMENT IN HANOI CITY TO 2030, VISION TO 2045

3.1.1. Objectives and orientations for socio-economic development

3.1.2. Viewpoints and orientations for completing the decentralization of state budget management in Hanoi City

3.1.2.1. Viewpoints on completing decentralization of state budget management among local government levels in Hanoi City

First, the decentralization of state budget management must be consistent with the guidelines and policies of the Party and State, the Constitution, the Law on State Budget, and the Law on Organization of Local Governments and legal documents of the State on decentralization of state management in each period.

Second, the decentralization of state budget management must inherit and effectively promote reasonable regulations on decentralization of state budget management between the central and local governments, and between levels of local government.

Third, decentralize state budget management towards improving the effectiveness and efficiency of state budget management in the locality;

Fourthly, promoting decentralization of state budget management must go hand in hand with ensuring physical foundations and financial resources.

3.1.2.2. Orientations for the decentralization of state budget management in Hanoi City

First, the decentralization of state budget management must be consistent with the central government's regulations on decentralization of state budget management in terms of applying the urban government model in Hanoi.

Second, the decentralization of state budget management must be consistent with the decentralization of state management of infrastructure, socio-economics, national defense, security and management levels of local authorities at all levels.

Third, the decentralization of state budget management must create initiative in the management and administration of local budgets at all levels, ensure the centralized direction of the city level, and at the same time increase the autonomy of the districts; ensure the leading role of the city budget and the district budget, the commune budget has an independent position in the city

budget system.

Fourth, ensure fairness in the decentralization of budget revenue management among local government levels.

3.2. SOLUTIONS TO COMPLETING THE DECENTRALIZATION OF STATE BUDGET MANAGEMENT BETWEEN LEVEL OF LOCAL GOVERNMENT IN HANOI CITY IN THE CONDITION OF APPLICATION OF URBAN GOVERNMENT MODEL

3.2.1. Solution to complete decentralization of state budget revenue management

3.2.1.1. Divide districts into groups of decentralization of budget revenues of all levels in accordance with socio-economic conditions

Hanoi should be classified into 3 groups of district-level administrative units. The division of groups to decentralize revenue sources and expenditure tasks is necessary, so as not to create too far a distance in the same group, and to ensure policy uniformity.

3.2.1.2. Using the criterion of income per capita as a basis for decentralizing revenue sources for the district budget

The income per capita in the last 5 years of the districts can be used as a basis for determining the ratio of revenue distribution among budget levels. This has the effect of ensuring fairness when dividing budget revenues among the city's local government levels.

3.2.1.3. Strengthen decentralization of some revenue sources for the city budget

Revenues not generated annually shall be adjusted to the city-level budget to ensure a stable balance of the district-level budget; adjust the decentralization of land use levy revenues to suit the land allocation method and ensure the dominance of the city-level budget.

City-level budget enjoys 100% of land rents, one-time payment, revenues from mining licenses, and environmental protection fees (for wastewater, emissions, mineral extraction), land use levy collected from the sale of assets on

the land, transfer of land use rights according to Decree 167/2017/ND-CP regulating the rearrangement and handling of public property and land use levy for land auction projects implementing the reinvestment mechanism for infrastructure development of the land auction area; auction money for land use rights organized by agencies, organizations and units of the city; Hanoi's budget revenues are entitled to according to specific financial and budgetary mechanisms and policies.

3.2.1.4. Strengthen the decentralization of some revenue sources for the district budget

Firstly, strengthen decentralization of revenue sources for districts that have construction projects to the district.

Second, adjust the decentralization of land use levy revenues to the district budget.

Third, adjust the decentralization of land and water surface rental fees.

Fourth, strengthen decentralization of revenue from registration fees for motorbikes, cars, boats and other assets to the district budget.

3.2.2. Solutions to complete decentralization of state budget expenditure management

Adjust the budget expenditure tasks at the commune level to match the urban government model.

Completing the decentralization of budget expenditure tasks in line with the socio-economic management decentralization.

Completing decentralization of investment spending tasks.

Complete decentralization of recurrent spending tasks.

3.2.3. Solutions to complete intergovernmental transfers

Stemming from management theory and from the experience of major cities around the world, this targeted replenishment should be in the 80% to 90% of the deficit.

In the coming time, Hanoi should strengthen targeted implementation to support districts, towns in strengthening infrastructure, creating momentum for

economic growth of less developed districts.

3.2.4. Supporting solutions to complete the decentralization of state budget management

Firstly, renovate the management mechanism and mode of operation of the People's Councils and People's Committees at all levels in the direction of efficiency, substance, and conformity with the urban government model.

Second, build a coordination mechanism among state management agencies on the principle that each task is assigned to one agency to take the lead and take responsibility.

Third, adjust the functions, tasks and organizational structure of the commune-level government to suit the conditions of application of urban government.

Fourth, information on finance - budget as well as other areas of state management should be made public and transparent to the people.

Fifth, promote the application of information technology to state management in general and state budget management in particular.

Sixth, research and define the scope of management contents by sector (planning, architecture, special national heritage management,...).

Seventh, perfecting the power control mechanism between agencies in the local government apparatus, coupled with strengthening inspection, examination, supervision and control of power associated with personalizing the responsibilities of the head, strengthen publicity, transparency and accountability.

3.3. SOME RECOMMENDATIONS FOR IMPLEMENTATION OF SOLUTIONS TO COMPLETE THE DECENTRALIZATION OF THE STATE BUDGET MANAGEMENT IN HANOI CITY IN THE CONDITION OF APPLICATION OF THE URBAN GOVERNMENT MODEL

3.3.1. Recommendations to the National Assembly

3.3.2. Recommendations to the Government, Ministries

CONCLUSION

The thesis closely follows the purposes, tasks, objects, research scope and application of research methods, the thesis has the following contributions:

Firstly, the thesis systematizes and analyzes contribute to enriching some basic theoretical issues about the decentralization of state budget management such as concepts, principles, bases, content, evaluation indicators and factors affecting the decentralization of state budget management in urban areas, the role of state budget management decentralization in socio-economic development in urban areas.

Second, the thesis summarizes the experience of decentralizing state budget management in a number of domestic and foreign cities; draw valuable practical lessons for reference for perfecting the decentralization of state budget management in Hanoi.

Third, the thesis overviews the socio-economic situation; synthesize, analyze, demonstrate and draw some conclusions about the achieved results, limitations and causes of the current state of decentralization of state budget management among different levels of government in Hanoi in the period 2011 - 2022.

Fourth, the thesis presents views and orientations; propose large groups of solutions with many specific solutions and some recommendations on decentralization of state budget management in terms of applying the two-level urban government model in Hanoi to 2030, vision to 2045.

Although the PhD student has made great efforts and seriousness in research, the research problem is in-depth with the characteristics of the Capital, the rapidly changing economic and social situation. Therefore, the research results of the thesis are inevitably limited. The author wishes to receive the guidance of scientists and readers interested in the topic.

Sincerely thanks!

LIST OF WORKS OF THE AUTHOR PUBLISHED
RELATED TO THE THESIS

1. Pham Thanh Ha (2021), *Decentralization of budget revenue resources and expenditure tasks between levels of government of Hanoi city*; Journal of Finance and Accounting Research No. 04 (12)-2021, Academy of Finance.
2. Pham Thanh Ha (2022), *Decentralization of budget management between the central government and Hanoi city government*; Journal of Accounting and Finance Research No. 12 (233)-2022, Academy of Finance.