

ON THE INDUSTRIAL - URBAN - SERVICE COMPLEX IN BÌNH DƯƠNG

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1. Establishment of the industrial- urban- service complex and industrial parks in Bình Dương

The project to build the Bình Dương industrial- urban - service complex was approved by the central government in its official letter 295/CP-CN dated March 19, 2003. The total area for this complex is 4,196 hectares, comprising 1,775 hectares for industrial use, 678 hectares for

general investors have been granted 2,895 hectares for developing infrastructure, services, industrial estates and new services.

Up to June 31, 2004, Bình Dương has developed 14 industrial parks (IPs), nine of them have come into operation and five have been licenced. The building of IPs started in Dĩ An and Thuận An Districts in 1994 and spread to Bến Cát, Dầu Tiếng and Tân Uyên Districts. Ten

port from Bình Dương, and employed 118,629 laborers.

Bình Dương IPs, however, contain many shortcomings:

- The development of Bình Dương IPs, such as Sóng Thần, Đồng An and VSIP, didn't accompany with development of urban services. The growth of some services around IPs, such as marketplaces and accommodations, was unruly.

factory buildings without paying attention to what industry the investors were in. And as a result, factories of different industries were in the same IPs and they lack mutual support, and sometimes the operation of one factory causes unfavorable condition for others.

- + To lower the land rental, developers didn't build high-quality infrastructure, therefore IPs could only attract labor-intensive companies. The technology transfer became rare. And these companies encouraged flows of migrants from other provinces because of the local shortage of labor.

- In Bình Dương IPs, migrant labor accounted



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high-quality services, 777 hectares for new urban area, 655 hectares for resettlement and 311 hectares for infrastructure. The land clearance will bring about over 4,000 hectares, and the use of poor farming land for industrial purposes becomes meaningful to the economic development in Bình Dương in the coming year.

Up to September 2004, some 86% of the planned area has been cleared and some VND1,300 billion in compensations paid. Sev-

years after, these IPs have contributed a lot to changes in the structure of industry in Bình Dương. At present, Bình Dương is leading the way in attracting foreign investment and developing IPs.

Up to June 2004, Bình Dương IPs attracted 395 foreign -invested projects capitalized at US\$1.816 billion and 151 domestic projects capitalized at VND1.679 billion. These projects covered 59.69% of the total IP area and accounted for 43.66% of ex-

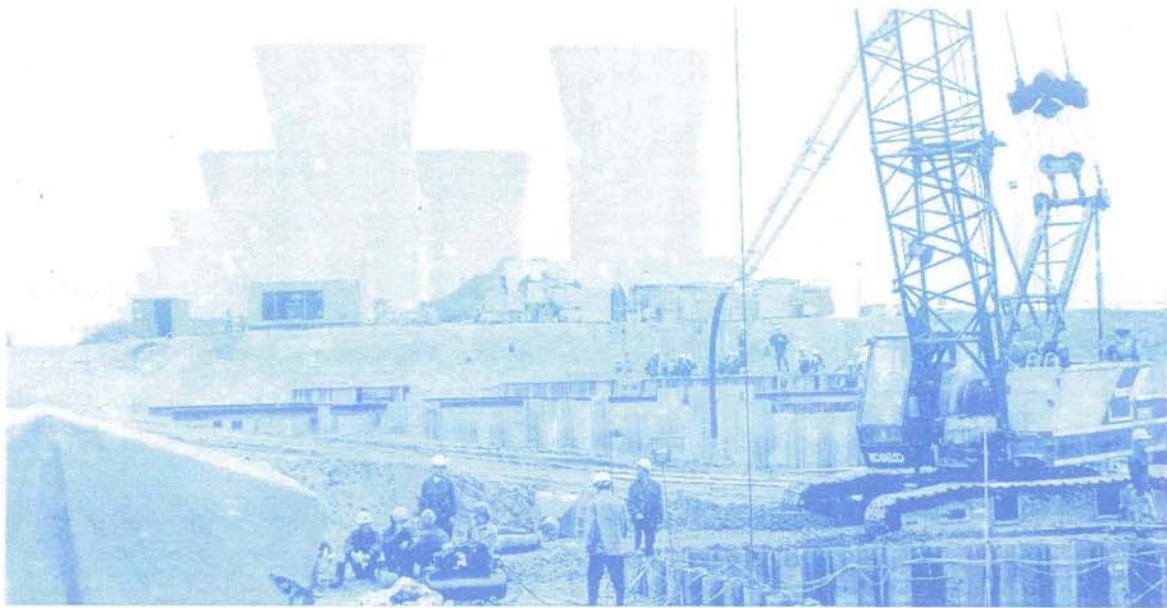
- Many private companies engaged in infrastructure development. They helped improve the quality and speed of construction but also caused many problems:

- + The lack of capital made them fail to ensure modern infrastructure that could attract major foreign companies.

- + To accelerate the land lease and get back their investment, these developers tended to invite any investors who were looking for land for their

for 83.25% of the labor force. The migrant population led to many social problems that became heavy burdens to local governments.

- Although the IP development helped change the structure of industry (the manufacturing sector now accounts for 66.6% of the Bình Dương gross output compared with 8% by the agriculture and 25.4% by the service sector), it also led to environmental issues. There has been a plan to build a 200-hectare



dumping ground in Bến Cát but it was carried out slowly. In Thủ Dầu Một, Dĩ An and Thuận An Districts, industrial waste and household rubbish have become urgent problems.

- Flows of immigrants led to serious law and order problems in and around IPs, which makes the business climate less attractive. Solving this problem requires great efforts from both companies and local governments.

2. Measure to develop industrial - urban - service complex

a. A master plan for the complex: This plan must be approved by the central government based on opinions of foreign experts in this field. After the approval, the provincial government and relevant bodies of the central government will keep a close watch on implementation of the plan. The complex management board is responsible for building the infrastructure and negotiating with foreign and local investors. The plan is only adjusted according to suggestions by the provincial government and the Ministry of Planning and Investment with approval from the central government.

Land and construction works must be up for auction. The central government could allocate some ODA fund to the infrastructure projects in the complex.

b. Investment in the complex: Besides the building of the infrastructure, the complex management board should work out a marketing program to attract investors. Main targets should include multinationals, major projects with big investments and high degree of technological content; and projects in high-quality services. One of measures to force licensed projects to come into operation is to revoke the license if it is not under construction within six months after licensing. This measure also prevents the speculation in land that is very widespread today.

c. Human resource development: At present, the shortage of labor force is common among IPs in both the North and South. Under such circumstance, a strategy to invest in labor-intensive industries is unrealistic. In addition, flows of migrant workers that take jobs offered by IP companies cause a lot of unsolved problems for local authorities.

This situation forces the complex management board to make plan to attract trained labor force needed for the program to attract technology-intensive industries. At present, there are many students from Bình Dương who are making studies in HCMC, other provinces or foreign countries. Incentives (high salary, accommodation, etc.) must be offered to persuade well-trained laborers into taking jobs in the complex.

As for children of some 5,000 families who are forced to move to resettlement areas, local authorities had better to provide them with training courses with a view to helping them find jobs in the complex. This measure could persuade them to support the building of the complex.

To develop the army of town managers for the complex, relevant authorities should select young officials with university degrees from provincial services and send them abroad to make studies on town planning and management.

d. Management of the complex: The administrative and business management must be separated. There must be a body re-

sponsible for keeping a close watch on companies in the complex and establishing the one-stop service for all of them. The Bình Dương government could ask the central government to allow the application of the Taiwanese or South Korean model of the complex. In this model, rights and duties of the complex management board will cover many fields, including taxation and customs formalities. In controlling the business field, necessary softwares could be used in order to develop some e-governmental services.

e. Administrative management in the complex: It is planned that the complex will become a modern city in 10 or 12 years and become important not only to Bình Dương but also the Southern Pivotal Economic Zone. So it requires a new management mechanism to ensure its long-term development.

For the time from now to 2010, the complex could be a district of the province, which requires many well-educated and experienced officials. They have also to get full knowledge of international laws and town management in preparation for international integration. ■