

Solutions to Strengthen Economic Development Linkages in Hoang Mai - Quynh Luu Region Associated with the Southern Thanh Hoa - Northern Nghe An Region

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Abstract: *Hoang Mai - Quynh Luu is a dynamic economic region not only in the North of Nghe An province but also in the Southern Thanh Hoa - Northern Nghe An region. However, the development of Hoang Mai - Quynh Luu area in recent years has neither been commensurate with its potential nor linked with the Southern Thanh Hoa - Northern Nghe An region. Based on secondary sources including State policy documents, previous studies, available local data, and reports, the article analyzes the situation of the regional development and proposes some solutions to strengthen the economic development in Hoang Mai - Quynh Luu area associated with the Southern Thanh Hoa - Northern Nghe An region.*

Keywords: Regional Development, Regional Linkage, Hoang Mai - Quynh Luu Region, the Southern Thanh Hoa - Northern Nghe An Region, Hoang Mai District, Quynh Luu District, Nghe An Province

1. Introduction

Regional linkage plays a crucial role in regional development. The issue of regional linkage has always been a priority task and mentioned in the Party Congress Documents of all periods, as well as in the Strategy for socio-economic development in recent stages. This is also a key task mentioned in the Resolution of the 13th National Party Congress and the Strategy

for socio-economic development in the period of 2021-2030¹.

Hoang Mai - Quynh Luu region is a dynamic economic region in the Northern part of Nghe An province, located in the

¹ See more: Resolution No. 57/NQ-CP dated April 21, 2022 by the Government on tasks and solutions to improve the socio-economic region linkage mechanism, <https://chinhphu.vn/?pageid=27160&docid=205658&classid=509>.

Southern Thanh Hoa - Northern Nghe An region¹. The socio-economic development plan for the period of 2021-2025 of Nghe An province sets the requirement of rapid development of Hoang Mai - Quynh Luu region, linking it with the Southern Thanh Hoa - Northern Nghe An region to become the dynamic economic region in the North. *Accordingly, the plan aims to develop Hoang Mai and Dong Hoi industrial parks with manufacturing industries, electronics industries, and other supporting industries and services for large projects in Dong Nam Economic Zone and Nghi Son Economic Zone. It also aims to attract investment in Hoang Mai I Industrial Park, Hoang Mai II Industrial Park, and Dong Hoi Industrial Park. The plan also focuses on attracting investment in tourism and services to effectively exploit the potential and advantages of the region. The plan also emphasizes the development of aquaculture and seafood processing industries and the development of specialized vegetable growing areas towards safe and organic production. The plan also prioritizes investment in infrastructure development in Hoang Mai town².*

To achieve the set goals and contribute to enhancing the region's competitiveness, it is important to mobilize diverse resources to support regional linkage activities and projects, utilize the internal and external resources of the localities in the region,

¹ See: Decision No. 1447/QĐ-TTg issued by the Prime Minister on September 16, 2009.

² See: People's Council of Nghe An province (2020), *Resolution No. 18/2020/NQ-HĐND dated December 13, 2020 on the 5-year plan for socio-economic development from 2021 to 2030 of Nghe An province.*

and ensure sustainable socio-economic development. Therefore, regional linkage and cooperation among local governments in the region are crucial and necessary. The Hoang Mai - Quynh Luu region needs to connect with other localities in the region to enhance its competitiveness and maximize the resources of the Southern Thanh Hoa - Northern Nghe An region for development.

1. The necessity of linkage in regional economic development

Perroux (1955) was one of the first to introduce the concept of regional association. According to him, the link is approached based on the pervasiveness in the "growth pole" theory. The region's growth poles include regions with industries with large attractive enterprises, i.e. concentration of economic activities in the most dynamic regions. These growth poles are pervasive, and attract the flow of raw materials and labor in other areas of the region and outside the region. This spillover effect will promote the formation of economic linkage space and trade network, and form a set of economic links between the growth pole and surrounding regions.

Martin (2003) argued that one of the bases for regional linkage is the comparative advantage or the differences between regions. Comparative advantage is not only in natural conditions and resources, but also in favorable conditions for technology, creating differences between regions and thus allowing for the specialization of labor and relative advantage. According to Dao Huu Hoa (2008), regional economic linkages takes place from two perspectives: (1) Macro: economic linkage is manifested

through the establishment of economic alliances between countries, localities, or territories to form regional institutions at different levels, including regional and international linkages, linkages between central and local authorities, and linkages between provincial, municipal, and district governments within the region; and (2) Micro: linkages are implemented through the establishment of cooperative relationships between entities in the economy through various forms, including linkages between entities (such as enterprises, households, farms, cooperatives) and linkages between community groups, etc.

Regarding the benefits and role of regional linkages, Dao Huu Hoa (2008) argues that regional linkages offer a great number of benefits to the parties involved: i) increasing the scale of operations to achieve efficiency through the social division of labor; ii) enhancing the flexibility of each party to exploit their strengths; iii) enhancing the collective competitiveness by coordinating the unique advantages of each party; and iv) reducing risks by sharing responsibility mechanisms among participating parties. Sharing the same perspective, Le Anh Duc (2014) asserts that regional linkages are essential because they: (i) improve competitiveness; (ii) create comparative advantages and rational allocation; and (iii) facilitate participation in the global value chain. According to Be Thi Huong (2022), for each region, effective implementation of regional linkages and planning will leverage the existing potential and advantages of localities

and limit the depletion of each other's dynamism. Therefore, there is a need for solutions to enhance regional linkages, promote economic development in line with reality. In each region, a supply chain of goods and a market linkage between localities by industry or product group should be established to create competitive capacity for the regional economy.

2. Some issues related to regional linkages between the Hoang Mai - Quynh Luu region and the Southern Thanh Hoa - Northern Nghe An region

The Hoang Mai - Quynh Luu region has many advantages in terms of geographic location and natural resources. In terms of geographic location, it is a region that combines the midlands with the coastal plain, with many beautiful landscapes (such as Quynh beach, Vuc Mau lake, etc.) and a unique system of historical and cultural relics (some famous temples such as Con Temple, Vu Temple, Xuan Uc Temple, Phung Hung Temple, etc.). This is a great advantage in developing seaside tourism, ecotourism, and spiritual tourism. In addition, the region has many favorable factors for industrial development, such as abundant labor resources, sharp reception of science and technology, large land area, readily available raw materials for building materials production (limestone, clay, etc.), with large reserves. The national transport system and the main transportation network are conveniently connected to the key economic areas of Nghe An province and the Southern part of Thanh Hoa province, such as National Highway 1, North-South expressway, Dong Hoi port, and North-South railway.

Thanks to its advantages in geographical location and natural resources, Hoang Mai - Quynh Luu region is always identified as a driving force for development in northern Nghe An. According to Decision No. 1447/QĐ-TTg approving the adjustment of the planning for the Southern Thanh Hoa - Northern Nghe An area, this will be a dynamic development area, linked to localities in the province and linked to the southern Thanh Hoa region to leverage the advantages of these areas. The orientation of linking the Northern Nghe An area with Southern Thanh Hoa area was also outlined in Resolution No. 26-NQ/TW dated July 30, 2013 of the Politburo on the direction and tasks of Nghe An province's development by 2020, specifically: "Together with Thanh Hoa province, promote the development of the Southern Thanh Hoa - Northern Nghe An region, focus on building the Hoang Mai - Dong Hoi region connected to the Nghi Son Economic Zone; develop dynamic industries such as thermal power, cement, steel refining, mechanics, chemicals, and seaports" (Central Executive Committee, 2013).

Therefore, the development of Hoang Mai - Quynh Luu region has always been determined to be placed in a close development relationship with Western Nghe An¹ and Southern Thanh Hoa areas, especially Nghi Son economic zone to leverage the advantages of this region in the development of industry, services, commerce and tourism.

¹ Hoang Mai - Quynh Luu region in Northern Nghe An needs to be linked with Western Nghe An (districts of Thai Hoa and Nghia Dan) and Southern Thanh Hoa areas.

In terms of industry, Hoang Mai - Quynh Luu region has many advantages to attract investment for heavy industries such as cement, thermal power, steel rolling, and mechanical engineering. Additionally, due to its proximity to the Nghi Son Economic Zone, Hoang Mai town has an advantage in attracting some downstream industries in the petroleum industry such as fertilizer, plastic products, adhesives, paint solvents, jewelry, and rubber products. According to statistics on the occupancy rate of industrial parks in Nghe An province, the current registered rate is 78-80%, but in reality, it only reaches about 15-20%. The occupancy rate of Hoang Mai industrial park alone is 10% (Le Xuan Sang, Tran Thi Viet Ha, 2022). This leads to a significant waste of local resources. The business registration field of invested companies is diverse, without specialization for each area. Industrial parks in the area lack leading businesses to create production and consumption chains. This creates difficulties in linking businesses by cluster/industry to take advantage of location and scale.

Regarding commerce and services, along with favorable conditions in terms of location, connectivity, and transportation methods, Hoang Mai - Quynh Luu region is a region with conditions fitted for forming regional commercial infrastructure (commercial centers, wholesale markets) and regional service types (finance, banking, transportation, cargo transfer, training and labor supply). However, the services and commerce of the Hoang Mai area are still underdeveloped and not fully exploited. In particular, Hoang Mai town has an advantage with the Dong

Hoi seaport connected by road, rail, and air quite conveniently, but it is still at the planning stage and has not yet become a real resource for developing port and logistics services (Tran Dinh Thien, 2022). The transportation system connecting the East and West of the region is quite diverse but lacks large enough routes to connect National Highway 1A to coastal tourist destinations and coastal roads. Currently, the North-South highway is gradually being completed and will create favorable conditions for linking between localities. In addition, the connecting routes from Hoang Mai - Quynh Luu region to other dynamic urban areas such as Vinh City, Nghi Son Economic Zone (Thanh Hoa), or the Western Nghe An region need to be upgraded to create favorable conditions for travel and transportation of goods.

According to the development masterplan of the province, the Hoang Mai - Quynh Luu region will develop into a dynamic urban area in the North of Nghe An. However, there are still many limitations to urban development. Social infrastructure, especially high-quality education, training, and healthcare infrastructure, has not been developed. In addition, the land reserve plan for housing of experts and workers in Hoang Mai - Quynh Luu region is still absent. This is also one of the obstacles in attracting projects that require skilled and highly technical labor (Tran Dinh Thien, 2022).

In terms of tourism, with outstanding natural scenery along the coast coupling with a diverse and rich system of cultural and spiritual works, Hoang Mai - Quynh Luu region has great potential to attract

investment for the development of various types of tourism, especially eco-tourism and cultural and spiritual tourism, serving people in the region, the province, and the country as a whole. According to Nguyen Van Binh (2020), Hoang Mai town owns up to 75 historical and cultural relics and scenic spots, nearly 80 intangible cultural heritage values that have been researched, managed, and ranked, including 6 national-level relics and 7 provincial-level relics, such as: Con temple (Quynh Phuong ward - considered the most sacred place in Nghe An); Vu temple (Quynh Vinh commune) worshipping Uy Minh Vuong Ly Nhat Quang; Xuan Uc temple (Quynh Lien commune) worshipping General Dang Te; Xuan Hoa temple (Quynh Xuan commune) worshipping Cao Son Cao Cac; Phung Hung temple (Quynh Xuan commune) worshipping Phung Hung, Princess Phuong Dung, Princess Bach Y, and Princess Uyen Hoa, etc.

In terms of human resources, Hoang Mai - Quynh Luu region is an area that provides skilled labor for the Nghi Son Economic Zone (engineers, skilled workers, etc.). According to the statistics of Hoang Mai town, there are currently over 2,000 workers from the town working in Nghi Son Economic Zone in fields such as oil refining, garment, leather footwear, etc.

Every year, Hoang Mai town organizes training courses to enhance the capacity of workers according to the demands of the local labor market and neighboring areas to solve employment for the local residents. However, the quality of human resources, especially high-quality workers, is inadequate and has not met

the development requirements (People's Committee of Hoang Mai town, 2020).

In reality, the linkages between the Southern Thanh Hoa - Northern Nghe An region mainly exist through policy documents and have been mentioned in local plans but have not been put into practice due to many reasons, including a lack of resources for implementation, a lack of regional coordination agency, and a lack of attention and focus from local authorities to implement them. The linkages between entities in the region mostly rely on market demand.

Tran Dinh Thien (2022) also pointed out some existing limitations in the development of Quynh Luu - Hoang Mai region, such as the lack of linkage in development between Hoang Mai town and Quynh Luu district and some neighboring areas, especially the lack of linkage of advantages in natural conditions and human resources to create a strong competitive development force. Therefore, it is necessary to have a clearer direction and identification of the fields that can be linked to develop between localities in the region.

Thus, with the natural advantages, Hoang Mai - Quynh Luu region enjoys remarkable advantages in attracting investment, developing industries, services, and tourism. However, regional linkage has not been up to expected and has not been commensurate with the potential advantages of the region. The reason is the lack of specific plans in implementing regional planning, underdeveloped transportation infrastructure, urban infrastructure that has not met the needs of workers, and a

workforce that has not met the needs for development. Therefore, solutions are needed to promote the linkage of Hoang Mai - Quynh Luu region with the Southern Thanh Hoa - Northern Nghe An region.

With the political determination of the leadership of provinces and localities, they will have more favorable conditions to promote cooperation and linkage in various fields for the development of local, regional, and national economy.

3. Recommendations for strengthening the linkages between Hoang Mai - Quynh Luu region and the Southern Thanh Hoa - Northern Nghe An region

The linkage of the Hoang Mai - Quynh Luu region with the Southern Thanh Hoa - Northern Nghe An region is a proper policy that has been clearly identified by the provincial and district leaders. To enhance this linkage, some specific solutions are needed, including:

Regarding the foundations to promote the linkage:

Firstly, to promote genuine cooperation and linkage among localities in the region, decisions on planning and development plans must be made public, transparent and seriously implemented. Regional and provincial planning should be the legal basis and the center for coordinating regional linkage activities, utilizing the key and effective role of the government at all levels. Regional development plans should not only provide a framework for cooperation and guide local linkages, but more importantly, the planning process should pay attention to building trust and consensus among localities, especially at higher government levels, creating

mechanisms for trust and cohesion among the participating parties in regional linkages based on respect, harmonization of interests, encouraging flexibility and creativity, ensuring the establishment and consolidation of mutual trust.

Secondly, infrastructure, particularly transportation linkages, is an important factor in the development of regional linkages. To link the Hoang Mai - Quynh Luu region with the Southern Thanh Hoa - Northern Nghe An region, it is necessary to strengthen investment in upgrading and completing interprovincial and interregional connectivity routes in a synchronized and modern manner to solve transportation issues between regions and provide favorable conditions for localities. Speeding up the progress of building key transportation works is also essential to develop urban areas according to approved plans.

Thirdly, the Hoang Mai - Quynh Luu region, according to the plan, is the dynamic urban area of Northern Nghe An with many potential advantages in terms of geographic location and resources. Therefore, it is necessary to develop a modern urban area with regional social and economic infrastructure systems that meet the needs of local workers and neighboring areas (including the Nghi Son Economic Zone bordering Hoang Mai town), while attracting tourists and promoting tourism.

Fourthly, regarding linkages in the development of human resources, there needs to be cooperation and exchange between localities in connecting labor supply and demand and training human resources. With abundant human resources,

Hoang Mai town and Quynh Luu district are significant labor supply regions for industrial parks in the area and the Nghi Son Economic Zone. We need to establish collaborative links with reputable training institutions such as Vinh University and other training institutions within the province as well as neighboring provinces to improve the qualifications of workers to meet the needs of hiring businesses.

Regarding the forms of linkage:

There are several forms of linkages such as mandatory agreements between local authorities of different levels; the use of forums for exchanging information to form voluntary connections based on market demand. In addition, it is possible to build a system of databases and socio-economic information with an inter-provincial and inter-district character to enable access and enhance the connections of relevant parties.

Regarding the conditions for linkage:

The Southern Thanh Hoa - Northern Nghe An region has been established but no organization has been given sufficient authority to coordinate regional linkages (especially the authority to make decisions on budget funding/grants for regional development investment or approve plans of member localities in the region), thus regional development linkages have not been effective. To make the regional linkage organization operate professionally and effectively, it is necessary to establish specialized technical and administrative support departments, committees, and organizations for the regional organization. These departments and committees can be established

temporarily (and dissolved after the task is completed), or they can be maintained in the long term.

Financial resources are a crucial issue for the process of linking localities in a region. The implementation and organization of regional linkages related to the overall regional development plan require financial resources. Typically, the sources of funding for regional linkage activities come from the central budget, local budgets (from participating members), and may also come from contributions by organizations and businesses. In addition, strong policies to encourage regional linkages from higher-level government, especially financial support policies/resources for implementing regional linkage projects, are needed. In many cases, linkages are not mandatory but are recognized as a factor that creates a competitive advantage for localities when they seek state funding support.

Finally, to realize and promote the linkages between the Hoang Mai - Quynh Luu region and the Southern Thanh Hoa - Northern Nghe An region, it is necessary to identify the key areas for linkage and incorporate them into legally binding regulations for the locality. Studying the key economic development areas of the region is crucial for determining the prioritized investment of resources, which can then create motivation for spread into other areas.

Conclusion

Linking for regional economic development is necessary and appropriate in the current trends and context. The development of the Hoang Mai - Quynh Luu region still lacks linkages with neighboring area to

leverage advantages in natural conditions and resources for development. To develop the Hoang Mai - Quynh Luu region, it is necessary to place it in a relationship and connection with the Southern Thanh Hoa - Northern Nghe An region, specifically with the localities in the Western Nghe An and Southern Thanh Hoa regions. Leaders at all levels need to clearly identify the key areas for linkage and invest appropriately in both financial and human resources to help the Hoang Mai - Quynh Luu region develop into a dynamic urban center in the northern part of Nghệ An province, as outlined in the provincial development masterplan □

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