Provincial budget transparency and economic development in Vietnam

iD **Nguyen Thi Bich Diep[1]**

iD **Nguyen Phuong Le[2+]**

[1]*University of Finance and Business Administration, Hung Yen province, Vietnam.*
Email: diep.ntb@ufba.edu.vn
[2]*Vietnam National University of Agriculture, Hanoi, Vietnam.*
Email: nguyenphuongle@vnua.edu.vn

(+ Corresponding author)

ABSTRACT

The paper aims to investigate the Provincial Open Budget Index (POBI) situation and its impacts on income per capita and the poverty rate in Vietnam. This study utilized secondary data from websites to conduct panel data analysis across all 63 Vietnamese provinces/cities from 2018 to 2022. By employing ordinary least squares (OLS) regression, various factors, especially POBI scores, are analyzed to see how they affect income per capita and poverty rates. The main findings are: (i) Transparency, particularly budget transparency, represents one of the eight pillars of good governance; (ii) Published annually since 2017, the POBI provides a standardized measurement framework; (iii) The POBI scores have steadily improved during the study period, positively correlated with increased income per capita and contributing to poverty reduction efforts.

Contribution/ Originality: The article provides a comprehensive analysis of the POBI and its influence on income per capita and the poverty rate in Vietnam. The findings significantly contribute to both theoretical understanding and practical implementation of budget transparency at the local level while providing valuable insights for policymaking in Vietnam and other emerging economies.

1. INTRODUCTION

The concept of "good governance" has emerged as a critical framework in public administration, including eight fundamental characteristics such as participation, consensus orientation, accountability, transparency, responsiveness, equality and inclusion, effectiveness and efficiency, and law enforcement compliance (UNDP, 1997). Among these eight elements, transparency, especially in fiscal matters, is a prominent factor that affects governance. The ADB – The Asian Development Bank (1999) has indicated that good governance predominantly focuses on its components to perform management effectively. It is concerned with behavioral parameters that function to ensure governmental accountability in the fulfillment of policy commitments to the citizens.

Vietnam has implemented a renovation strategy from a central planned to a market-oriented economy since 1986. The renovation process has fundamentally transformed the conceptual frameworks and approaches in Vietnam's economic systems and public administrative structure (Chien & Thanh, 2022). Even though, Vietnam has been known as a country where administrative procedures have been complicated and many government organizations inefficiently performed (Gregory, 2016; Ngoc, 2016). In recent decades, Vietnamese government has made significant efforts to improve administrative process by practicing good governance principles in order to create conditions for

socio-economic development, and to better serve people. According to Long (2020) and Thu (2018) these reforms emphasize strengthening accountability and transparency as well as civil servants' integrity and responsibility within public administration.

In the process of practicing good governance, Vietnam has adopted global rankings for various indexes related to transparency, accountability, and administrative procedure reform, such as the State Open Budget Index (OBI), Perception of Corruption Index (PCI), E-Government Development Index (EGDI), and so on. These efforts have brought crucial improvements in Vietnam's rankings across multiple indexes. According to the UN E-Government Knowledgebase in 2024, Vietnam ranked 71st out of 193 countries in e-government development. This represented a leap of 15 places in comparison with the period 2020-2022. As online public services are improved, transparency is also enhanced. The PCI 2023 report, which has been conducted by the Transparency International Organization, showed that Vietnam ranked the 83rd least corrupt nation among 180 countries.

The Open Budget Survey (OBS) constitutes a comprehensive, autonomous, comparative, and evidence-based research instrument that is utilized to evaluate citizens' accessibility to central government fiscal information; a formalized mechanism for public engagement in the national budgetary process; and the supervised function of fiscal monitoring institutions, including legislative bodies and national audit authorities within the budgetary framework. In 2023, Vietnam ranked 57th among 125 surveyed countries in budget transparency, up 11 places compared to 2021 (IBP, 2023). The report from the International Budget Partnership (IBP) indicated that Vietnam has a transparency score of 51 out of 100 in 2023, higher than the global average of 45 and showing a seven-point improvement from 2021. Moreover, a public participation score reached 19 out of 100 in 2023, two points higher than in 2021 and four points higher than the global average.

Together with the global indices, the Vietnamese government has designed a series of local ones to assess administrative reform, transparency, and accountability at the provincial level, such as PAR (Public Administration Reform Index), PAPI (Provincial Governance and Public Administration Performance Index), PCI (Provincial Competitiveness Index), POBI (Provincial Open Budget Index), and others. These local governance indices are ranked annually and publicly reported. Transparency is considered an important component indicator across all metrics. This means that the Vietnamese government emphasizes transparency as a fundamental role in good governance (Thanh, Thuong, Long, & Huyen, 2023).

Previous research has shown that transparency in public administration and in state budget management directly contributes to limiting corruption, reducing monopolies, promoting capacities to exploit resources, and enhancing socio-economic development (Le & Nguyen, 2021; Phan, 2019). Bellver and Kaufmann (2005) as well as Fukuda-Parr and Hulme (2011) found a link between the transparency index and human development indicators, whereas Thanh and Hiep (2025) demonstrated the impacts of fiscal transparency on HDI, FDI attraction, and public expenditure. By analyzing data from a sample of 110 countries through five periods (2008, 2010, 2012, 2015, and 2017), Beatriz and Marco (2023) showed a significant positive correlation between the OBI and the HDI. Their analysis provided evidence that enhancing budget transparency is a good way to improve human development.

The mentioned studies rarely paid attention to the local state budget transparency. Furthermore, they have only assessed the effects of central state budget transparency on corruption, FDI attraction, and the general HDI index. To fill the gap in previous research, this paper analyzes the impacts of local budget transparency, particularly provincial budgets, on economic development in Vietnam through specific indicators such as GDP growth rate, poverty rate, and income per capita.

The paper is organized as follows: Section 2 synthesizes the literature on budget transparency. Section 3 outlines the data sources and methodologies employed. Section 4 presents the empirical findings of provincial budget transparency and its influence on economic development. Finally, Section 5 provides a conclusion and some policy implications.

2. LITERATURE REVIEW

The concept of transparency, while extensively discussed in public administration literature, has rarely been approached from a theoretical perspective (Bersch & Michener, 2011; Michener & Bersch, 2013). Scholars have identified transparency as a fundamental mechanism for enhancing governance efficacy in public services Bauhr and Grimes (2014) and facilitating public access to governmental information (Piotrowski & Van Ryzin, 2007; Roberts, 2006). Furthermore, transparency has been recognized as an instrumental factor in improving policy effectiveness and administrative efficiency (Hirsch & Osborne, 2000). While existing literature predominantly focuses on central government transparency, the more frequent occurrence of transparency-related challenges at local government warrants additional scrutiny (Reis, 2016). In reality, "transparency" has been examined in all aspects of public administration, including policy making and implementation, administrative procedure, public resource allocation and use, particularly in public budget management.

The distinction between budget and fiscal transparency presents conceptual challenges (Prijaković, 2022). The IMF (2018) conceptualizes fiscal transparency as the public availability of information regarding governmental fiscal policy making processes. This encompasses multiple characteristics, including clarity, reliability, frequency, timeliness, and relevance of public financial reporting. Budget transparency, which has become increasingly central to public sector operations, was initially conceptualized by Kopits and Craig (1998) through two primary dimensions. The first one is a manner in which all relevant financial information and systems are timely and comprehensively disclosed. The second dimension is the convenience of citizens within a certain location in assessing budget information on allocation of expenditures as well as the collection of fiscal revenue. IMF and OECD have formulated standardized instruments and methodological frameworks to evaluate fiscal transparency and budgetary procedures within national public finance systems (IMF, 2007; OECD, 2011). OECD (2017) which defined budget transparency as being fully open with people about how public money is raised and used.

Budget transparency is necessary because, on one hand, it helps budget information become easier to access; hence, the data is more reliable and usable to monitor and evaluate the effectiveness and efficiency of public expenditure. On the other hand, when citizens are afforded access to state budget information and the state provides adequate capabilities and participatory mechanisms for engagement in the budgetary process, public services and governance efficiency are improved. Consequently, budget transparency functions as an empowerment tool through which citizens are able to exert influence on policy formulation and resource allocation. Budget transparency requires proactive government engagement throughout the budget cycle and timely dissemination of comprehensive fiscal documentation. Moreover, budget information must be presented with sufficient clarity and simplicity for different stakeholders' accessibility (IBP, 2012).

Empirical research has demonstrated numerous advantages of budget transparency. Valentin et al. (2016) establish that enhanced budget transparency facilitates public access to expenditure information and governmental financial activities, correlating with improved governance and reduced corruption. This finding aligns with studies indicating that budget transparency strengthens governmental accountability and public trust through efficient resource allocation (Piotrowski & Van Ryzin, 2007). Bellver and Kaufmann (2005) demonstrate associations between transparency and reduced corruption levels, improved socio-economic indicators, and enhanced competitiveness.

Founded in 1997, the IBP has played its role in encouraging citizens' participation in the budgetary process with the aim of creating a more transparent and accountable budget system in order to better serve society. Currently, the IBP collaborates with partners who actively participate in the public budget process across more than 100 developing and transitional countries throughout Africa, Asia, Eastern Europe, and Latin America. The IBP has created the Open Budget Survey (OBS), which stands as the independent, comparative assessment of budget transparency and accountability worldwide. Initially conducted in 2006 and updated in 2008, the OBS employs a questionnaire reflecting widely recognized best practices in public financial management. The survey results are used to calculate the Open Budget Index (OBI), a comparative transparency measure that ranks countries on a scale from 0 to 100.

The OBI has been calculated and published every two years. The insights gained from the OBI help to identify straightforward measures that governments and involved stakeholders can use to improve budget transparency. The OBI plays its role as a methodological instrument for systematic documentation and qualification of fiscal transparency across nation-states, providing helpful data that serves both research and public financial governance. The OBI yielded significant comparative evidence about the information that governments make available to the public on how they manage public finances (De Renzio & Masud, 2011).

Since participating in the OBS in 2010, Vietnam's OBI has tended to increase with each assessment period, especially with great progress in the OBS 2023 period. This proves that the Vietnam government, particularly the Ministry of Finance have made efforts to implement budget reforms including budget transparency, publicizing information on the management and use of public resources, and citizens' participation in budget discussions. However, Kroth (2012) empirically demonstrated that fiscal transparency at the central government does not inherently correlate with equivalent transparency across subnational areas. Subnational governments encompass all administrative units which are subordinate to the national (or central) level, incorporating both intermediate regional and local governmental structures. Within a nation-state's territorial boundaries, a state, province or region constitutes the most expansive subdivision established for political or governance purposes (Secretariat, 2010).

The provincial budget is the total amount of money that the provincial government is allowed to spend in a given fiscal year. This is a main source of revenue and expenditure for local government, allowing the implementation of policies and plans to serve the community and manage local socio-economic activities. Why do Vietnam and other governments focus on budget transparency at provincial and other subnational levels? Kroth (2012) identified the importance of subnational budget transparency as follows: First, it provides oversight of subnational governments, which increasingly manage resource allocation and service delivery. Second, it reveals weaknesses in local public financial resources, potentially reducing corruption and mismanagement. Third, it enables tracking of financial resources from origin to implementation points, answering questions about execution and procurement processes. Fourth, it strengthens public accountability for specific community concerns such as local schools and infrastructure projects. Fifth, it promotes citizens' participation and public discourse. Sixth, it makes local borrowing visible, thereby helping to regulate it. Finally, it allows for comparison within countries, encouraging competitive improvements among subnational entities. In Vietnam, local governments maintain closer relationships with their communities, positioning them uniquely to respond to local needs and preferences compared to central government. This proximity allows citizens to hold local authorities directly accountable for public service quality and cost. The direct impact of local government decisions on citizens' daily lives necessitates higher levels of transparency (Thanh & Hiep, 2025).

To assess local budget transparency, Vietnam employs the Provincial Open Budget Index (POBI), calculated from the Provincial Open Budget Survey (POBS) conducted by the Budget Transparency, Accountability, and Participation Coalition (BTAP), the Center for Development and Integration (CDI), and the Vietnam Institute for Economic and Policy Research (VEPR). The POBS has been conducted across all 63 provinces, with POBI results published annually since 2017.

The POBS questionnaire aligns with the State Budget Law issued in 2015 and current regulations on publicity and transparency. The methodology incorporates OBS principles and international standards, particularly IMF and OECD guidelines. The POBI framework has evolved, expanding from two pillars (budget transparency and citizens' participation) before 2023 to three pillars (adding accountability) from 2023 onward.

The budget transparency pillar evaluates the availability, timeliness, convenience, completeness, reliability, and continuity of 11 budget document types. These include eight documents required by the State Budget Law of 2015, two mandated by the Law on Public Investment and the Law on Public Debt Management, and one aligned with international best practices. The POBI score derives from 87 questions in this pillar, converted to a 100-point scale. The citizens' participation pillar comprises six scoring questions assessing how Provincial People's Committees and Departments of Finance facilitate public participation in budgeting and respond to budget-related inquiries. The

accountability pillar, introduced in 2023, includes eight questions examining the public monitoring and accountability practices of People's Councils and Committees in budget management, particularly through document disclosure in the budget appraisal, discussion, and approval processes.

The POBI rankings use a four-level scale: Level A (75-100 points): "Full" disclosure; Level B (50-74 points): "Relative" disclosure; Level C (25-49 points): "Incomplete" disclosure; and Level D (0-24 points): "Limited" disclosure. The POBI rankings of all 63 provinces have been published annually since 2017, demonstrating steadily improving provincial budget transparency that increasingly meets public information accessibility needs. However, the impact of provincial budget transparency on economic development, particularly poverty reduction, citizens' income, and GDP growth rate, requires further assessment.

3. METHODOLOGY

3.1. Data Collection and Sample

This study examines the relationships between the POBI and economic development indicators across Vietnam's 63 provinces and cities under central government administration (hereafter referred to as provinces), which are distributed across six economic regions. Particularly, the relationships between POBI scores and the poverty rate, as well as income per capita, are investigated. The study employs panel data analysis using provincial-level datasets from 2018 to 2022. The main reason for using 2018-2022 data is that during this period, the POBI calculations were based on a consistent system of component indicators, which have been adjusted after being first issued in 2017 and continued to be amended in 2023. Additionally, this timeframe provided complete, consistent, and logical data on poverty rates and income per capita. Data were obtained from three primary sources: the Ministry of Finance, the General Statistical Office, and Annual POBI Reports.

3.2. Analytical Methods

This study uses the OLS panel data analysis to investigate how the POBI scores and related factors affect income per capita and poverty rates through specified econometric models as follows:

Model 1: Poverty Rate

$$PR_{i,t} = \beta_0 + \beta_1 POBI_{i,t} + \beta_2 GDP\_GR_{i,t} + \beta_3 Region_{i,t} + \beta_4 Year_{i,t}$$

Model 2: Income Per Capita

$$INPC_{i,t} = \beta_0 + \beta_1 POBI_{i,t} + \beta_2 GDP\_GR_{i,t} + \beta_3 Region_{i,t} + \beta_4 Year_t$$

The detail definitions and measurements of the variables are presented in Table 1.

Table 1. Variable definitions and measurements.

Variable label	Variable definition and measurement
$PR_{i,t}$	Value of the poverty rate by province i at year t during the period 2018-2022.
$INPC_{i,t}$	Average income per capita by province i at year t during the period 2018-2022 in thousands of VND (Vietnamese Dong; one US dollar is equivalent to 25 thousand VND).
$POBI_{i,t}$	Provincial Open Budget Index for province i in year t during the period 2018-2022.
$GDP\_GR_{i,t}$	GDP growth rate by province i at year t during the period 2018-2022.
$Region_{i,t}$	Dummy variable – equal to 1 if province i is in flat or favorable regions (Red River Delta, Southeast, Mekong River Delta), and 0 otherwise (or for provinces in unfavorable regions such as the Northern Midland and Mountains, North Central, and Central Highlands).
$Year_t$	t= 1 - 5 for year 2018 − 2022, respectively

4. RESULTS AND DISCUSSION

4.1. The State Budget Transparency at Central and Provincial Level

The OBS follows the international standards established by the IMF, OECD, International Organization of Supreme Audit Institutions (INTOSAI), and the Global Initiative for Fiscal Transparency (GIFT). The IBP

collaborates with civil society organizations globally to analyze, monitor, and advocate for enhancing fiscal transparency, promoting governance systems and budgetary processes characterized by increased transparency, participation, and public accountability. In Vietnam, the IBP has maintained a collaboration with the Center for Development and Integration (CDI) to conduct evaluations of OBI rankings across multiple assessment cycles from 2012 to 2023. The Vietnam National Assembly (2015) OBS results demonstrated a significant advancement across all three evaluation pillars: fiscal transparency, civic participation, and budgetary monitoring. Vietnam's OBI score exhibited substantial improvement in global rankings, attaining 51/100 for fiscal transparency, which exceeds the global mean of 45/100. Vietnam was positioned 57th among 125 participating nations in the 2023 assessment. While Vietnam's civic participation metric of 19/100 surpassed global averages, this figure nevertheless indicates restricted availability of budgetary information and minimal public engagement in fiscal decision-making processes. The budgetary monitoring score reached 82/100, with legislative monitoring by the National Assembly measured at 78/100 and supreme audit institution monitoring by the State Audit Office evaluated at 89/100, all of which exceed the global mean of 62/100.

Table 2. Results of Vietnam's open budget survey for the period 2012-2023.

Year	First pillar transparency (100 scores)	Second pillar citizens' participation (100 scores)	Third pillar monitoring (100 scores)
2023	51	19	82
2021	44	17	80
2019	38	11	74
2017	15	7	72
2015	18	42	61-75
2012	19	<34	>66

Source: IBP (2023).

Table 2 presents the positive changes in OBI, which indicate Vietnam's improvement in transparency regarding state budget estimation submitted to the National Assembly. Additionally, the OBS results demonstrate that the Ministry of Finance has implemented public consultation processes during budget preparation prior to the National Assembly submission.

Regarding state budget transparency, Vietnam's Law on State Budget stipulates that "The state budget must be published through one or more of the following methods: announcements at meetings, posting at offices, publication in official documents, written notifications to relevant organizations and individuals, website postings, or media announcements." The procedures for publishing state budget information comprise three main components: (1) Collecting authorities, financial authorities, and State Treasuries must publish state budget procedures; (2) Published content must include regulations on procedures for declaration, collection, payment, exemption, reduction, deferral, and refund of payments; advanced payments; and amounts allocated and paid to the state budget; and (3) Publication must be carried out by posting at transaction locations and on the websites of the aforementioned agencies (Vietnam National Assembly, 2015).

Table 3. Levels of state budget transparency.

(Unit: % - Ratio in a total of 63 provinces)				
Year	Fully (75-100 points)	Relatively (50-under 75 points)	Incomplete (25-under 50 points)	Less (0-under 25 points)
2022	52.38	33.33	6.34	7.93
2021	49.20	38.09	9.52	3.17
2020	42.85	46.03	7.93	3.17
2019	38.09	42.85	14.29	4.76
2018	9.52	19.05	33.33	14.28

Source: The POBI reports from 2018 to 2022.

The POBS results show that the average POBI has improved over the years, increasing from 30.5 points in 2017 to 69.42 points in 2022. The score in 2022 decreased slightly compared to 2021 due to changes in the calculation method. The 2022 POBI score has added some evaluating indicators in comparison with previous years.

Data in Table 3 shows that the number of provinces achieving POBI scores from 75 to 100 (provinces with full budget disclosure) increased from 9.52% in 2018 to 52.38% in 2022. At the same time, the number of provinces with POBI scores from 25 to less than 50 points (provinces with incomplete budget disclosure) and from 0 to less than 25 points (provinces with minimal budget disclosure) sharply decreased. The number of provinces with POBI scores ranging from 50 to less than 75 (provinces with relatively complete budget disclosure) fluctuated without a specific trend—sharply increasing in the period from 2018 to 2020, then decreasing in the following two years.

Figure 1 illustrates the POBI scores of seven economic regions in Vietnam. The region of the Northern Midlands and Mountains has the highest average POBI score in the country in 2022 (79.33 points). While in POBI 2021, the Central Highlands was the region with the highest average score improvement compared to the others, the POBI 2022 results show a sharp decrease in the average score of the provinces in the Central Highlands. In 2022, the average score of the Central Highlands provinces is 47.82 points, down 16.2 points compared to POBI 2021 and 7.5 points lower than POBI 2020. Regions with average POBI scores in 2022 that decreased compared to 2021 include the North Central, South Central Coast, and Mekong Delta. Thus, it can be seen that the POBI 2021 scoring results show the strong rise of the provinces in the Northern mountainous region, the Red River Delta, and the Southeast (in contrast to 2021).
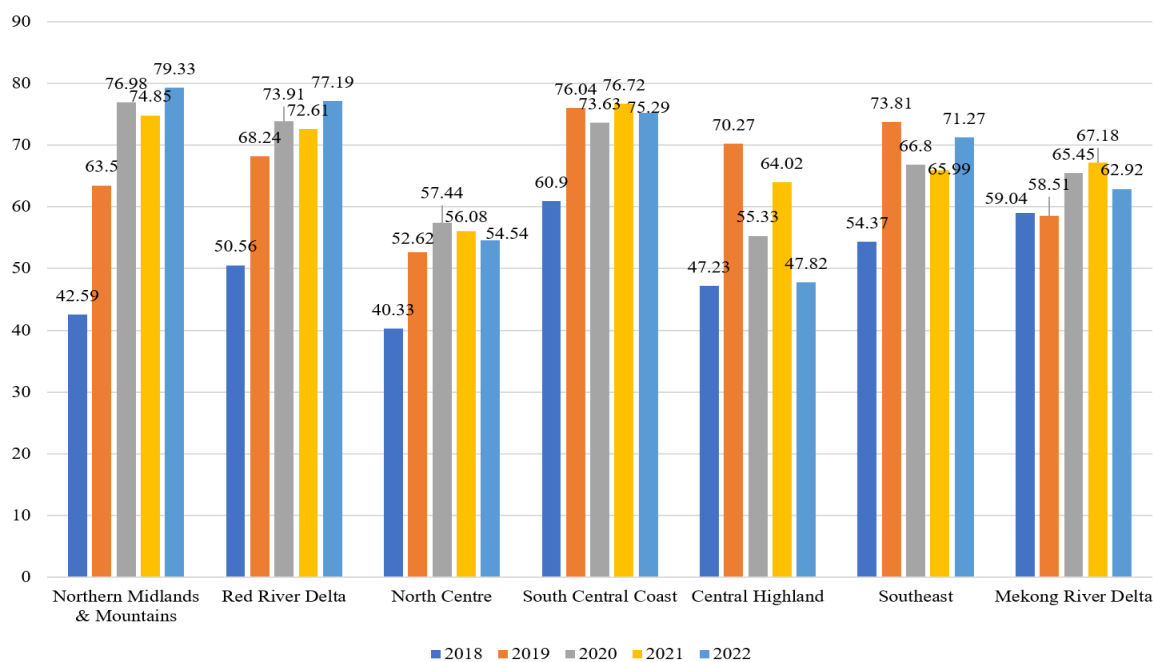

Figure 1. POBI scores by economic regions in the period 2018-2022.

Source: The POBI reports from 2018 to 2022.

After seven years of implementation, the POBI conducted by BTAP has demonstrated measurable positive effects on administrative and fiscal reform processes at the provincial level in Vietnam. This intervention has substantively contributed to Vietnam's implementation of its commitments under Sustainable Development Goal No. 16 on transparency, participation, and accountability (BTAP, 2023; UNDP, 1997). The next section presents how the POBI influences economic development in Vietnam, particularly GDP growth, poverty reduction, and improvement of income per capita.

4.2. Correlations of Provincial Open Budget Index and Economic Development

The random effects model for panel data was used to estimate the effect of POBI and other independent variables on the dependent variables of income per capita and poverty rate across the provinces. The variable is assumed to be random and uncorrelated with the predictors or variables included in the models. The results of the estimated models are presented in Table 4. In the first estimated model with the dependent variable of income per capita, the number of Prob > chi2 = 0.000 indicates that the estimated model is statistically significant at the 99% confidence level. The overall R-squared value of 0.396 means that the independent variables can explain 39.6% of the dependent variable of income per capita. Additionally, 87.9% of the variance in income per capita is explained by the differences across provinces (rho value = 0.879). If the POBI index increases by 1%, then income per capita would increase by 2.61 thousand VND. This is statistically significant at the 90% confidence level (or at $p<0.1$). It is also observed that if the GDP growth rate increases by 1%, then income per capita would increase by 18.61 thousand VND at the 99% confidence level (or at $p<0.01$). It is also found that favorable regions would have higher income per capita, and income per capita has increased in recent years to the 99% confidence level (or at $p<0.01$).

Table 4. Estimate of random effect OLS regression on economic development variables.

Dependent variable / Independent variable	Income per capita			Poverty rate		
	Coefficient	Error	P>|z|	Coefficient	Error	P>|z|
POBI	2.61*	1.35	0.054	-0.017***	0.005	0.001
GDP_GR	18.61***	5.37	0.001	0.018	0.020	0.380
Region	1401.28***	223.70	0.000	-9.59***	1.809	0.000
Year	127.60***	14.02	0.000	-0.66***	0.054	0.000
Constant	471.33	605.94	0.437	1337.38***	110.028	0.000
Group variable	Province			Province		
Number of observations	315			315		
Number of groups	63			63		
R-sq: Within	0.332			0.479		
Between	0.402			0.300		
Overall	0.396			0.306		
Wald chi2(4)	164.78			254.10		
Prob > chi2	0.000			0.000		
Sigma_u	876.939			7.121		
Sigma_e	323.995			1.248		
rho	0.879			0.970		

Note: *: Significant at 10%; **: Significant at 5%; ***: Significant at 1%.

In the second estimated model with the dependent variable of the poverty rate, the number of Prob > chi2 = 0.000 indicates that the estimated model is also statistically significant at the 99% confidence level. The overall R-squared value of 0.306 means that the independent variables can explain 30.6% of the dependent variable of the poverty rate. With the coefficient of POBI being -0.017, it means that if the POBI increases by 1%, then the poverty rate will decrease by 0.017%. This is statistically significant at the 99% confidence level (or at $p<0.01$). According to the estimated results, the favorable regions would have a lower poverty rate (by 9.59%) compared to the unfavorable regions, which is statistically significant at the 99% confidence level (or at $p<0.01$). It is also estimated that the poverty rate has declined by 0.66% per year during the period 2018-2022. The GDP growth rate is found to have an unclear effect on the poverty rate from the estimated model as P>|z| = 0.380.

The findings are supported by Bellver and Kaufmann (2005) and Thanh and Hiep (2025) in their affirmation that transparency is associated with better socio-economic and human development indicators. Particularly, the analysis is relevant to Teig (2006), who showed that "countries that are less fiscally transparent tend to experience slower growth rates and lower levels of per capita GDP." Moreover, this result also aligns with Jesmin (2017) in his investigation of how the enhancement of budget transparency contributed positively to reducing both national poverty and extreme poverty in Bangladesh.

5. CONCLUSION

It is widely acknowledged that budget transparency in general, and local budget transparency in particular, influences economic development, particularly in developing countries, including Vietnam. Since participating in the OBI index assessment, Vietnam's ranking has significantly improved. Similarly, Vietnam's provincial open budget index changed in a positive direction during the period from 2018 to 2022. The number of provinces achieving POBI scores of 75 and above increased from 9.52% in 2018 to 52.38% in 2022. At the same time, the number of provinces with POBI scores from 25 to less than 50 points and from 0 to less than 25 points sharply decreased. The POBI positively impacts income per capita and the poverty rate. If the POBI index increases by 1%, then the income per capita would increase by 2.61 thousand VND, with statistical significance at 90%. Conversely, if the POBI increases by 1%, then the poverty rate will decrease by 0.017%, with statistical significance at the 99% confidence level. These findings are theoretically significant and provide practical value in local budget management. Policymakers can use these insights to improve budget transparency in order to develop the economy, especially to enhance citizens' income and reduce poverty.

REFERENCES

ADB - The Asian Development Bank. (1999). *Governance: Sound development management governance*. Retrieved from http://www.adb.org/sites/default/files/institutional-document/32027/govpolicy.pdf

Bauhr, M., & Grimes, M. (2014). Indignation or resignation: The implications of transparency for societal accountability. *Governance*, 27(2), 291-320. https://doi.org/10.1111/gove.12033

Beatriz, C. B., & Marco, B. (2023). The relevance of budget transparency for development. *International Review of Administrative Sciences*, 89(1), 239-256. https://doi.org/10.1177/00208523211027525

Bellver, A., & Kaufmann, D. (2005). *Transparenting transparency: Initial empirics and policy implications policy research working paper*. Washington DC: The World Bank.

Bersch, K., & Michener, G. (2011). *Conceptualizing the quality of transparency*. Paper presented at the In Proc. 1st Global Conf. Transparency. Newark, NJ, USA: Rutgers Univ.

BTAP, V., CDI & UNDP. (2023). *Research on policies and practices of state budget publicity and citizen participation in budget process*. Retrieved from A Series of Policy Discussion Papers:

Chien, N. B., & Thanh, N. N. (2022). The impact of good governance on the people's satisfaction with public administrative services in Vietnam. *Administrative Sciences*, 12(1), 35. https://doi.org/10.3390/admsci12010035

De Renzio, P., & Masud, H. (2011). Measuring and promoting budget transparency: The open budget index as a research and advocacy tool. *Governance*, 24(3), 607-616. https://doi.org/10.1111/j.1468-0491.2011.01539.x

Fukuda-Parr, S., & Hulme, D. (2011). International norm dynamics and the" End of Poverty": Understanding the millennium development goals. *Global Governance*, 17, 17. https://doi.org/10.1163/19426720-01701002

Gregory, R. (2016). Combating corruption in Vietnam: A commentary. *Asian Education and Development Studies*, 5(2), 227-243. https://doi.org/10.1108/aeds-01-2016-0010

Hirsch, W. Z., & Osborne, E. (2000). Privatization of government services: Pressure-group resistance and service transparency. *Journal of Labor Research*, 21(2), 315-326. https://doi.org/10.1007/s12122-000-1050-z

IBP. (2012). *The open budget survey 2012*. Washington, DC: International Budget Partnership.

IBP. (2023). *The open budget survey.* Retrieved from https://internationalbudget.org/wp-content/uploads/IBP-OBS-Global-Report-2023-v4-Final-Artwork.pdf

IMF. (2007). *Manual on fiscal transparency.* Retrieved from https://www.imf.org/external/np/pp/2007/eng/101907m.pdf

IMF. (2018). *Fiscal transparency handbook.* Washington, DC: International Monetary Fund.

Jesmin, R. (2017). Transparency of national budget and poverty reduction: a case study. *Proceedings of the 4th International Conference on Poverty and Sustainable Development, 4,* 65-77.

Kopits, G., & Craig, J. (1998). Transparency in government operations. *IMF Occasional Paper, 158,* 3-10.

Kroth, V. (2012). *Subnational budget transparency: An analysis of ten pilot studies.* Washington, DC: International Budget Partnership.

Le, T. H., & Nguyen, T. L. (2021). *A discussion on transparency of state administration.* Retrieved from https://www.quanlynhanuoc.vn/2021/11/16/ban-ve-minh-bach-trong-quan-ly-hanh-chinh-nha-nuoc/

Long, D. B. (2020). Accountability of state agencies in the process of law enforcement. *Democracy and Law Journal, 7,* 50–59.

Michener, G., & Bersch, K. (2013). Identifying transparency. *Information Polity, 18*(3), 233-242. https://doi.org/10.3233/ip-130299

Ngoc, T. T. B. (2016). Administrative procedure reform in Vietnam. *Journal of Vietnam Social Science, 10*(107), 101-111.

OECD. (2011). *OECD best practices for budget transparency.* Retrieved from https://aprmtoolkit.saiia.org.za/documents/the-standards-library/187-atkt-oecd-best-practices-budget-transparency-2001-en/file

OECD. (2017). *OECD budget transparency toolkit: Practical steps for supporting openness, integrity and accountability in public financial management.* OECD Publishing. http://dx.doi.org/10.1787/9789264282070-en%0A.

Phan, T. T. A. (2019). Does organizational innovation always lead to better performance? A study of firms in Vietnam. *Journal of Economics and Development, 21*(1), 71-82. https://doi.org/10.1108/jed-06-2019-0003

Piotrowski, S. J., & Van Ryzin, G. G. (2007). Citizen attitudes toward transparency in local government. *The American review of public administration, 37*(3), 306-323. https://doi.org/10.1177/0275074006296777

Prijaković, S. (2022). Impacts of budget transparency on economic and political outcomes: A review of empirical evidence. *Hrvatska i Komparativna Javna Uprava: Časopis Za Teoriju i Praksu Javne Uprave, 22*(4), 633-665. https://doi.org/10.31297/hkju.22.4.4

Reis, J. J. (2016). From slave to rich freedman: The trajectory of the African Manoel Joaquim Ricardo in 19th century Bahia. *Revista De História (São Paulo), 175,* 14-67.

Roberts, A. (2006). *Blacked out: Government secrecy in the information age.* Cambridge: Cambridge University Press.

Secretariat, P. E. F. A. (2010). *Survey of PEFA partners, use of PEFA assessments for internal processes.* Washington: PEFA Secretariat.

Teig, M. (2006). Fiscal transparency and economic growth. Paper Presented at European Doctoral Seminar, 06.

Thanh, N. D., Thuong, N. Q., Long, P. V., & Huyen, D. T. (2023). *Research on policies and practices of state budget publicity and citizen participation in budget process.* The Series of Governance and Participation Policy Discussion Papers commissioned by the Governance and Participation Team at UNDP Viet Nam.

Thanh, N. T., & Hiep, T. D. (2025). The influence of fiscal transparency on expenditure by regional and provincial governments in Vietnam. *Multidisciplinary Science Journal, 7*(3), 2025171-2025171. https://doi.org/10.31893/multiscience.2025171

Thu, V. T. (2018). State administrative apparatus reform—Current situation and tasks. *State Management Review, 5,* 51-59.

UNDP. (1997). *Governance for sustainable human development.* Retrieved from https://digitallibrary.un.org/record/492551?v=pdf

Valentin, M., Ruiz, J., Vega, R., Martín, C., Matesanz, R., Lozano, J. J. G., . . . Maside, A. F. (2016). *Implementation of a national priority allocation system for hypersensitized patients in Spain, based on virtual crossmatch: Initial results. Transplantation Proceedings, 48*(9), 2922–2925.

Vietnam National Assembly. (2015). *Vietnam national assembly.* The Law on State Budget. No.83/2015/QH13.