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## **ATTRACTING ODA CAPITAL TO DEVELOP SOCIAL SECURITY IN VIETNAM RESEARCH FROM AFFECTING FACTORS**

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### **ABSTRACT**

Social security is one of the most important issues in socio-economic management, especially in the current stage of integration and development. In recent years, Vietnam has been highly appreciated by the international community for many achievements in economic development associated with poverty reduction and social security. In the structure of capital for social welfare goals in Vietnam, capital gained through ODA plays an important role. However, the attraction of ODA capital to Vietnam in recent years still faces many difficulties. By using qualitative and quantitative research methods, this paper examines the impact of the factors affecting the attraction of ODA capital into Vietnam and offers possible solutions to increase this source by the end of 2025. Depth interviews through open-ended questions were used to collect data from 06 Vietnamese organizations receiving ODA and 05 institutions representing ODA sponsors such as WB; UNECF; USAIS; JICA... Basing on their answers, the authors continued to ask questions to better exploit the factors affecting ODA attraction. The interviews were recorded and compared with each other to find the similarities or differences of each organizations and institutions. Consequently, the authors build measurement scales, questionnaires, and propose research models and hypotheses. The research's results show that the efficiency of using ODA is the most appreciated factor. It has a great impact on the ability to attract ODA to implement the goal of ensuring social secu-

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rity in Vietnam: when this factor is increased to 1 unit, the ability to attract ODA will increase to 0.222 units. Regression analysis results of policies, strategies, institutions and legislations also support the attraction of ODA. The target conformity between the donor and the recipient of ODA has a positive relationship with the attraction of ODA.

**Keywords:** finance, ODA capital, social security, sustainable development.

## INTRODUCTION

In recent years, the attraction and use of ODA capital for the implementation of social security goals have been promoted as the ODA capital of the next year is higher than the previous year, which has contributed positively to the poverty reduction and eradication, job creation and risk reduction for people. However, the attraction of ODA capital still faces many difficulties, especially the disbursement and allocation of projects for social security. The reality shows that in Vietnam, the management and implementation capacity of ODA programs and projects is still limited, difficult in the procedures between Vietnam and other countries. It also has a lot of hinderances in tracking as well as evaluating ODA programs and projects and a misconception of ODA as a free aid. In addition, the fact that Vietnam has become a middle-income country makes it difficult to attract ODA capital in the coming time as donors restructure their aid. From the aforementioned practice, it is necessary to point out solutions to enhance the attraction of ODA for social security in Vietnam.

In the world, there have been many researches on ODA. These studies focus on assessing the effect of ODA on developing countries' socio-economic development. In the study of Lensink and Morrissey (2000), it was suggested that the impact of ODA on developing countries' economies is negative and ineffective. The main cause for this result is corruption and inefficiency in the implementation of ODA capital of the recipient countries. These studies also emphasize that donors must be more responsible in providing ODA to recipient countries. Contrary to this point of view, studies of Chenery and Strout (1966); Teboul and Moustier (2001); Sangkijin (2012) revealed that ODA has a positive impact on the socio-economic of the recipient countries. Chenery and Strout (1966) suggested that when receiving ODA, the low development countries (LDCs) will

narrow the gap between rich and poor. According to Teboul and Moustier (2001), the reception of ODA helps LDCs to increase savings and promote economic growth. Sangkijin (2012) argues that once a country's level of transparency reaches a certain point, the net economic marginal effect of ODA to countries decreases, ODA has an effective impact on social - economic development of recipient countries.

Other studies have also pointed out that the effectiveness of the use of ODA has a close and long-term relationship with the level of ODA attraction (Burnside, Craig and David Dollar, 2000). The efficiency level of ODA use is proportional to the level of ODA attraction (William Butterfield, 2008). When there is foreign aid, especially foreign indirect investment, it also affects the revenues and expenditures of national budgets, whereby governments will have appropriate policies for implementing the cost savings of capital construction works or investing in infrastructure projects and making it easier to pay attention to social security goals. On the other hand, the main goal of most foreign organizations when providing ODA to governments of all countries is to support ODA recipients to develop their economy and improve the living standards of the local people. Once the effectiveness of ODA use increases, it also means that the ability to attract ODA also increases.

In addition to studies on assessing the impact of ODA on developing economies, there are also studies on the attraction and use of ODA. Antonio Tujan Jr (2009) researched and pointed that in order to attract ODA funds, recipient countries need to enhance production capacity, increase ownership and local responsibility by reducing dependency on donors. Jamie Morrision (2004) revealed the fields that will attract ODA donors are health, education and a number of countries changing economic structure to developing industry and services. Alesia, Alberto and David Dollar (2008) mentioned the role of the policy environment and democratic views in ODA-receiving countries has a great influence on ODA attraction and management. The influence of foreign aid sources has been analyzed and evaluated by Boone and Peter (1994) and their impact on savings and growth in recipient countries, especially in developing countries.

According to Nguyen Manh Tien (2015), the reason for the restriction of ODA attraction in Vietnam is that the legal environment is not synchronized, the leg-

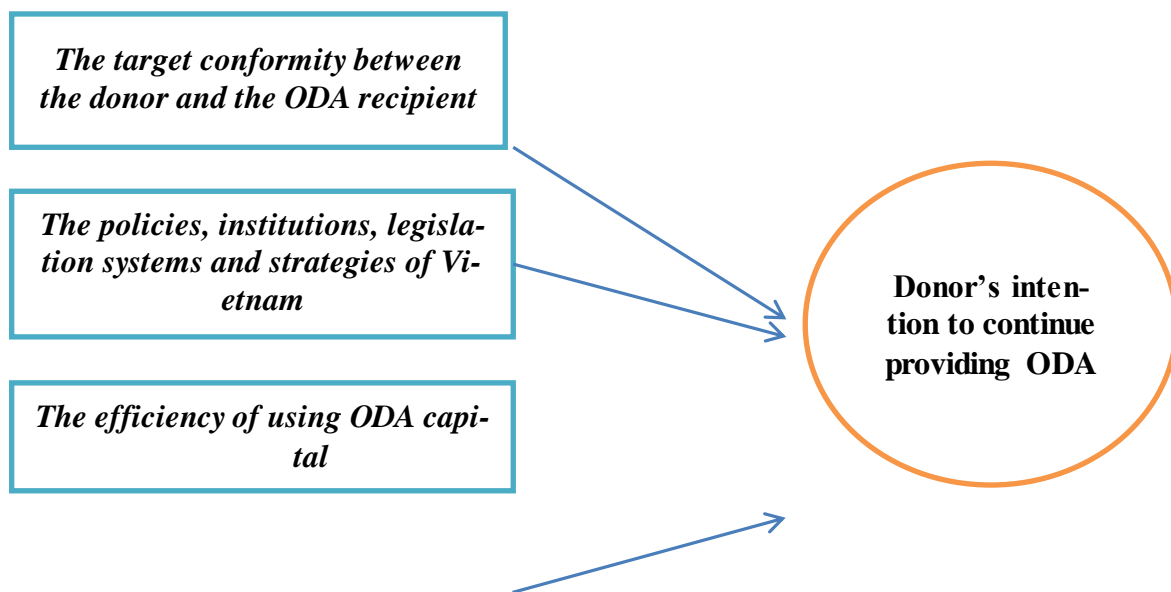
isolation system is limited, overlapping and unstable. Another reason is that a number of regulations related to ODA are stipulated in many different legal documents leading to inconsistencies. Finally, according to the author, another cause of ineffective ODA attraction is due to the irregular monitoring and discontinuous assessment of ODA use. Having the same opinion, Approaching from another perspective, author Nguyen Ngoc Son (2015); Le Quoc Hoi (2007) argued that the main reasons for the ineffective attraction and use of ODA in Vietnam are: low disbursement rate, modest project management capacity and sustainability, inappropriate purposes and waste uses of the ODA capital, the spread allocation of ODA to too many areas without focus, and limited attention to restructure of investment capital of ODA projects. The same viewpoint can be seen in Nguyen Thanh Do (2015), which also stated that one of the reasons for the inefficient use of ODA is due to the management. The author thinks that the state management policies on ODA are not in sync with each other, the project approval procedure and system is still cumbersome, the opaque project regulations level is unclear which causing wastes and reducing flexibility in the implementation process and increasing the difficulties in identifying responsibilities of implementing units in case the project is not effective. Trinh Ngoc Tuan (2015) revealed that one of the reasons for limiting ODA attraction is the low disbursement progress and limited ODA management capacity at all levels and sectors.

Vu Nhu Thang (2015), Bui Thi Minh Nguyet and Nguyen Thi Hoang Ai (2018) represented the reasons for the limitation in ODA attraction but from the perspective of management. The authors cited the main reasons for the limitations in the management and use of ODA and concessional loans of donors, namely: project preparation and approval time is often prolonged, the procedures of the Government and development partners are not harmonious, the management and organization of programs and projects implementation is still unprofessional. In addition, other reasons are: the capacity of the staff involved in project management is modest, the personnel of the project management units are often unstable, most of them are working on a part-time basis, project management training has not been conducted regularly and systematically. Sharing the same views with the above authors, Nguyen Lan Anh (2015) stated the main factors

affecting the effective use of ODA including: the target conformity between the donor and the ODA recipient, capacity of officials involved in ODA management and the uniformity of policy mechanisms.

## RESEARCH MODEL

From the aforementioned studies, it can be seen that three main issues affecting the attraction of ODA capital into Vietnam: (1) the target conformity between the donor and the ODA recipient; (2) the policies, institutions, legislation systems and strategies of Vietnam and (3) the efficiency of use of capital from the Vietnamese side. Through the above problems, the authors proposes a research model and the following hypotheses:



**Figure 1:** Research model

From the model above, hypotheses are given as follows:

*H1: The target conformity between the donor and the recipient of ODA has a positive relationship with the attraction of ODA.*

*H2: The policies, institutions, legislation systems and strategies to attract ODA has a positive relationship with the attraction of ODA.*

*H3: The effectiveness of ODA use is positively associated with ODA attraction.*

## METHODOLOGY

To study the impact of factors on the ability to attract ODA capital for social security goals in Vietnam, the author combines two methods: qualitative and quantitative research method.

### 1.1. Qualitative research method:

This method helps the author discover existing problems of attracting ODA in general and attracting ODA capital for social security in particular. From that, author builds measurement scale, questionnaire, and propose research models and hypotheses. First, the author interviewed 06 Vietnamese experts who received ODA from ministries, agencies and ministries: Ministry of Health; Ministry of Labor, War Invalids and Social Affairs; Ministry of Finance; Ministry of Planning and Investment; Central Economics Committee; Ministry of Education and Training and 05 experts representing ODA sponsors such as WB; UNECF; USAIS; JICA... The technique used in this stage is in-depth interviews through open-ended questions. Based on the answers of each expert, the author continues to ask questions to better exploit the factors affecting ODA attraction. The interviews were recorded and compared with each other to find the similarities or differences of each expert to draw initial conclusions to propose the model. After obtaining results from experts, the author proposes an official research model and a scale for the research. At the end of this period, the author will have a formal scale and conduct an official investigation.

Results from interviews with experts in ODA showed that there are three factors that are most mentioned in attracting ODA capital, including: (1) the target conformity between donors and recipients of ODA; (2) system of policies, institutions, legislations and strategies for attracting ODA capital of Vietnam and (3) the efficiency of ODA capital use.

Specifically, the research model will have 03 independent variables and 01 dependent variable. The independent variables include: *the target conformity between the donors and recipients of ODA; system of policies, institutions, legislations, strategies for attracting ODA capital of Vietnam and efficiency of ODA capital use*. Dependent variable: *donor's intention to continue providing ODA*. Specifically, independent and dependent variables are measured by observed variables as follows:

- The independent variable of the target conformity between the donors and the recipients of ODA capital is measured by 05 observed variables.
- The independent variable of the system of policies, institutions, legislations

and strategies to attract ODA of Vietnam is measured by 10 observed variables.

- The independent variables of the efficiency of using ODA capital are measured by 04 observed variables.

- The dependent variable of the donor's intention to continue lending ODA is measured by 04 observed variables.

**Table 1:** Scale of donors' intentions to continue providing ODA and factors affecting their intention to continue providing ODA

<b>Variables</b>	<b>Scale</b>	<b>Coding</b>
<b>Donors' intention to continue providing ODA</b>		
<b>Donors' intentions to continue providing ODA</b>	In the near future, we will continue to provide ODA to Vietnam	Kha_Nang_Cap_ODA1
	We will continue to work with the Vietnamese government to implement new ODA projects	Kha_Nang_Cap_ODA2
	We are willing to make good assessments on Vietnam as a basis to attract more ODA from other organizations and countries	Kha_Nang_Cap_ODA3
	We will consider reducing interest rates in the loan portion as well as increasing the grant rate to Vietnamese side	Kha_Nang_Cap_ODA4
<b>Factors affecting donors' intention to continue providing ODA</b>		
<b>The target conformity</b>	The objectives of the ODA recipient are consistent with the objectives of the ODA provider	Muc_Tieu1
	The implementation capacity of the ODA recipient is consistent with the overall objectives of the ODA projects	Muc_Tieu2



Variables	Scale	Coding
	The objectives of the ODA recipient are consistent with the ODA grant's guiding principles	Muc_Tieu3
	Everyone involved in ODA implementation clearly understands the objectives of the project	Muc_Tieu4
	The objectives of the project are focused on local social security development	Muc_Tieu 5
<b>The system of policies, institutions, legislations and strategies to attract ODA of Vietnam</b>	The guidelines and laws of Vietnam are consistent with the donor's guidelines, purposes, and principles of ODA provision	Chinhsach_theche_chienluoc1
	Vietnam's binding conditions, mechanisms and policies for ODA management are suitable to the donor's specific conditions, mechanisms and policies for ODA management.	Chinhsach_theche_chienluoc2
	Policies and strategies for attracting ODA for social security has a clear ground	Chinhsach_theche_chienluoc3
	Policies and strategies to attract ODA capital for social security are feasible and connected to the socio-economic development strategies and programs to ensure social security.	Chinhsach_theche_chienluoc4



<b>Variables</b>	<b>Scale</b>	<b>Coding</b>
	Policies and strategies to attract ODA are highly stable	Chinhsach_theche_chienluoc5
	Changes in ODA policies and strategies (if any) are clearly reported to the donors	Chinhsach_theche_chienluoc6
	Changes in ODA policies and strategies (if any) are calculated to minimize the risks to donors as well as ODA capital.	Chinhsach_theche_chienluoc7
	When developing an ODA attraction program, Vietnamese government agencies often take into account policy risks during project implementation.	Chinhsach_theche_chienluoc8
	The risks of policy changes leading to donor losses are not significant	Chinhsach_theche_chienluoc9
	The one-party system creates great conditions in the institutional policy for ODA attraction	Chinhsach_theche_chienluoc10
<b>The efficiency of using ODA</b>	After being implemented, ODA projects achieve the set targets	Hieu_qua1
	Good management capacity of Vietnamese partners (disbursement)	Hieu_qua2
	There is no situation of using ODA capital for inappropriate purposes	Hieu_qua3
	ODA projects are completed on time as committed	Hieu_qua4

The study using Likert 5 scale: Strongly disagree = 1; Disagree = 2; Normal = 3; Agree = 4; Strongly agree = 5.

## **1.2. Quantitative research method**

In this study, the author conducted quantitative research into the following steps: firstly, building a scale for the independent variables: the target conformity between the donor and recipient of ODA; system of policies, institutions, legislations and strategies to attract ODA of Vietnam; efficiency of using ODA capital and a measure for the dependent variable: the donors' intention to continue lending ODA; secondly, preliminary quantitative research before conducting formal quantitative research; thirdly, major quantitative research. Finally, the author will conduct tests of original hypotheses.

### **1.2.1. Preliminary quantitative research**

Preliminary quantitative research aimed at verifying the appropriateness of the scales: the target conformity between the donor and recipient of ODA; system of policies, institutions, legislations and strategies to attract ODA from Vietnam; efficiency of ODA use and the donors' intention to continue lending ODA. This preliminary research also eliminates inappropriate observation variables as well as provides a reliable scale when conducting formal research. Sample units were selected according to convenient and non-probability sampling methods. For a preliminary evaluation of the measurement scales used in this study, the method chosen was the Cronbach's alpha reliability coefficient method.

Preliminary quantitative research was conducted through the distribution of questionnaires, the author conducted the study with the number of samples  $n = 35$  questionnaires of Vietnamese experts representing donors. The author has issued 35 questionnaires, collected 35 but there are 4 invalid questionnaires. The result of running Cronbach's alpha of variable  $Muc\_tieu = 0.652$ , this is an acceptable level (Hair, 1998). But considering the correlation coefficient with the total variable, there is the variable  $Muc\_tieu5$  whose correlation coefficient with the total variable is only 0.055. In this case, it is considered as a junk variable (Hair, 1998) that needs to be removed. If this variable is removed, Cronbach's alpha coefficient will be increased to 0.750. The result of running Cronbach's alpha of variable  $Chinh\_sach\_the\_che = 0.706$ , this is an acceptable level (Hair,

1998). But considering the variable *Chinh\_sach\_the\_che10*, the correlation coefficient with the total variable is -0.136, this variable can be considered a junk variable and therefore, it needs to be removed (Hair, 1998). When this type of variable is removed, Cronbach's alpha coefficient will increase to 0.753. The remaining variables have Cronbach's alpha coefficients and the correlation coefficients with the total variables of observed variables are at  $\geq 0.69$  and  $\geq 0.3$  respectively, so they are acceptable.

To ascertain the removal of variables, the author conducted a preliminary quantitative study again with an increase in the number of questionnaires to 55. The author has issued 55 questionnaires and collected 55 questionnaires, all of which are valid for analysis. The result of running Cronbach's alpha with the *Muc\_tieu* variable is still almost before the Cronbach's alpha coefficient reaches 0.610, at a weak acceptance level (Hair, 1998) but the correlation coefficient with the total variable of the *Muc\_tieu5* variable is only at 0.009 and is considered a junk variable. Similarly, the result of running Cronbach's alpha of variable *Chinh\_sach\_the\_che* = 0.705, but correlated with the total variable of observed *Chinh\_sach\_the\_che10* is still in the junk level when = 0.108. The remaining variables still give good results equivalent to the test on 31 questionnaires.

The author reviews the content of 2 observed variables that need to be removed. The variable *Muc\_tieu5* has the content "The objectives of the project are focused on local social security development". This content can be understood as reflecting the nature of the goals of the projects. This content is not yet expressed, or in other words, inconsistent with the content of the independent variable that indicates the appropriateness in the objectives of the recipient and the ODA grant, so the removal of this observed variable is reasonable. The variable *Chinh\_sach\_the\_che10* has the content "The one-party system creates great conditions in the institutional policy for ODA attraction". Notably, this variable has mentioned a relatively sensitive issue and there is still a difference in the awareness of the recipients and donors of ODA, so the reliability of this observed variable in analysis is limited and removing it is reasonable. As such, after preliminary quantitative research, we have the table of variables and coding as follows:

**Table 2:** Scale of donors' intentions to continue providing ODA and factors affecting their intention to continue providing ODA after doing preliminary analysis

<b>Variables</b>	<b>Scale</b>	<b>Coding</b>
<b>Donors' intention to continue lending ODA</b>		
<b>Donors' intentions to continue providing ODA</b>	In the near future, we will continue to provide ODA to Vietnam	Kha_Nang_Cap_ODA1
	We will continue to work with the Vietnamese government to implement new ODA projects	Kha_Nang_Cap_ODA2
	We are willing to make good assessments on Vietnam as a basis to attract more ODA from other organizations and countries	Kha_Nang_Cap_ODA3
	We will consider reducing interest rates in the loan portion as well as increasing the grant rate to Vietnamese side	Kha_Nang_Cap_ODA4
<b>Factors affecting donors' intention to continue lending ODA</b>		
<b>The target conformity</b>	The objectives of the ODA recipient are consistent with the objectives of the ODA provider	Muc_Tieu1
	The implementation capacity of the ODA recipient is consistent with the overall objectives of the ODA projects	Muc_Tieu2
	The objectives of the ODA recipient are consistent with the ODA grant's guiding principles	Muc_Tieu3
	Everyone involved in ODA implementation clearly under-	Muc_Tieu4

Variables	Scale	Coding
	stands the objectives of the project	
<b>The system of policies, institutions, legislations and strategies to attract ODA of Vietnam</b>	The guidelines and laws of Vietnam are consistent with the donor's guidelines, purposes, and principles of ODA provision	Chinhsach_theche_chienluoc1
	Vietnam's binding conditions, mechanisms and policies for ODA management are suitable to the donor's specific conditions, mechanisms and policies for ODA management.	Chinhsach_theche_chienluoc2
	Policies and strategies for attracting ODA for social security has a clear ground	Chinhsach_theche_chienluoc3
	Policies and strategies to attract ODA capital for social security are feasible and connected to the socio-economic development strategies and programs to ensure social security.	Chinhsach_theche_chienluoc4
	Policies and strategies to attract ODA are highly stable	Chinhsach_theche_chienluoc5
	Changes in ODA policies and strategies (if any) are clearly reported to the donors	Chinhsach_theche_chienluoc6
	Changes in ODA policies and strategies (if any) are calculated to minimize the risks to donors as well as ODA capital.	Chinhsach_theche_chienluoc7
	When developing an ODA at-	Chinhsach_theche_chienluoc8

Variables	Scale	Coding
	traction program, Vietnamese government agencies often take into account policy risks during project implementation.	
	The risks of policy changes leading to donor losses are not significant	Chinhsach_theche_chienluoc9
<b>The efficiency of using ODA</b>	After being implemented, ODA projects achieve the set targets	Hieu_qua1
	Good management capacity of Vietnamese partners (disbursement)	Hieu_qua2
	There is no situation of using ODA capital for inappropriate purposes	Hieu_qua3
	ODA projects are completed on time as committed	Hieu_qua4

Thus, basically, the metrics have guaranteed reliability (Cronbach's  $\alpha > 0.7$ ), and are used for formal research.

### 1.2.2. Official quantitative research

Subjects of the survey are experts and representatives of bilateral and multi-lateral donors. These are people who are highly experienced and knowledgeable about the actual operation of ODA projects for social security in Vietnam.

In this quantitative research, the author used a questionnaire to interview 200 Vietnamese and foreign experts representing 53 donors from bilateral and multilateral organizations. Among them, there are 24 bilateral and 29 multi-lateral donors. After distributing the questionnaires, the valid number of questionnaires collected was **148**.

With 22 observed variables, a sample size of 148 is appropriate and ensures reliability. The sample size is 5 to 10 times the number of observed variables that can perform factor analysis and regression analysis.

**Table 3:** Number of questionnaires for experts

No	Type of donor	Number of questionnaires
<b>Bilateral donors</b>		
1	United Kingdom	1
2	Norway	1
3	Austria	2
4	Japan	2
5	India	1
6	New Zealand	2
7	Belgium	1
8	Australia	2
9	Canada	1
10	Finland	1
11	Denmark	2
12	France	1
13	German	3
14	Spain	2
15	Nethersland	1
16	Thailand	1
17	Korea	3
18	Sweden	2
19	Italia	1
20	Switzerland	2
21	Luxembourg	2
22	China	1
23	United States	3
24	Singapore	2
<b>Mutilateral donors</b>		
25	United Nations Office on Drugs and Crime	2
26	United Nations Children's Fund	5
27	World Food Programme	3



<b>No</b>	<b>Type of donor</b>	<b>Number of questionnaires</b>
28	International Fund for Agricultural Development	2
29	United Nations Development Programme	3
30	International Monetary Fund	3
31	European Union	3
32	International Labour Organization	5
33	International Finance Company	2
34	Food and Agriculture Organization	4
35	Asia Development Bank	5
36	United Nations Industrial Development Organization	1
37	World Bank	5
38	World Health Organization	5
39	United Nations Fund for Population Activities	5
40	United Nations Women	5
41	United Nations Educational Scientific and Cultural Organization	2
42	United Nations Programme on HIV/AIDS	5
43	Catholic Relief Services Vietnam	3
44	The Atlantic Philanthropies	4
45	The Asia Foundation	4
46	International Organization for Migration	5
47	Family Health International	4
48	Agency Against Trafficking in persons	3
49	Save the Children	5
50	Plan	5
51	Landsforeningen Lev (Denmark)	2
52	United Nations Development Fund for Women	4
53	UNITAID	4
<b>Total</b>		<b>148</b>

## 2. Research results

### 2.1 Test on the donors' intention to continue lending ODA

Before verifying the value by Element Factor Analysis test, the author checks whether the data is sufficient for analysis or not by KMO test and Barlett test.

**Table 4:** KMO và Bartlett's Test

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.801
Bartlett's Test of Sphericity	Approx. Chi-Square	1143.374
	df	136
	Sig.	.000

The results show that  $KMO = 0.801$  satisfies  $KMO \text{ condition} > 0.5$  (Kaiser, 1974). Thus, it can be concluded that factor analysis is appropriate with the existing data. Similarly, the Barlett test results show that  $p = 0.000 < 5\%$  so that the variables are related to each other and are eligible for factor analysis by EFA test.

**Table 5:** Element Factor Analysis (EFA)

<b>Rotated Component Matrix<sup>a</sup></b>				
	Component			
	1	2	3	4
Muc_Tieu1			.776	
Muc_Tieu2			.793	
Muc_Tieu3			.781	
Muc_Tieu4			.739	
Chinh_Sach_hien_hanh1				.722
Chinh_Sach_hien_hanh2				.688
Chinh_Sach_hien_hanh3				.788
Chinh_Sach_hien_hanh4				.836
Su_Thay_Doi_Cs1	.818			
Su_Thay_Doi_Cs2	.832			
Su_Thay_Doi_Cs3	.793			
Su_Thay_Doi_Cs4	.673			
Su_Thay_Doi_Cs5	.675			

Rotated Component Matrix <sup>a</sup>				
	Component			
	1	2	3	4
Hieu_qua1		.866		
Hieu_qua2		.785		
Hieu_qua3		.823		
Hieu_qua4		.845		

After performing the EFA factor test, we get the results in Table 5 as follows: *the observed variables of the variable the target conformity between the donor and recipient of ODA and the efficiency of ODA capital use* are all moved in the same group and have factor loading > 0.3. The observed variables of *Viet Nam's system of policies, institutions, legislations and strategies for ODA attraction* are separated into two small variables.

As such, the author makes variables of *Viet Nam's system of policies, institutions, legislations and strategies for ODA attraction* are separated into two small variables as following:

**Chinh\_sach\_hien\_hanh**=*Chinhsach\_theche\_chienluoc1*,  
*Chinhsach\_theche\_chienluoc2*, *Chinhsach\_theche\_chienluoc3*,  
*Chinhsach\_theche\_chienluoc*

**Su\_thay\_doi\_chinh\_sach**=*Chinhsach\_theche\_chienluoc5*,  
*Chinhsach\_theche\_chienluoc6*, *Chinhsach\_theche\_chienluoc7*,  
*Chinhsach\_theche\_chienluoc8*, *Chinhsach\_theche\_chienluoc9*.

Under this circumstance, **H2 will be divided into two following hypotheses:**

- H2.1: Current policies, strategies, institutions and laws are positively related to the variable Donors' intention to continue providing ODA
- H2.2: Changes in policies, strategies, institutions and laws that are positively related to the variable Donor's intention to continue providing ODA

Thus, all the measures chosen for the variables in the model meet the requirements and can be used in subsequent analysis.

## 2.2. Testing of the reliability of the scale of donors' intention to continue providing ODA

We have the Cronbach's Alpha test as follows:

**Table 6:** Cronbach's Alpha

No	Variable	Cronbach's Alpha
1	The target conformity between recipients and donors	0.814
2	Current policies, institutions and legislations	0.762
3	The changes of current policies, institutions and legislations	0.834
4	The efficiency of using ODA	0.855
5	Intention to continue providing ODA	0.87

According to Table 6, all Cronbach's Alpha coefficients for the independent variables have Cronbach's Alpha value  $\geq 0.7$ , which ensures reliability and can be used in subsequent analysis.

### 2.3 Testing of correlation coefficients between independent variables and dependent variable donors' intention to continue providing ODA

General target variables; current policies, institutions and laws; the changes in policies, institutions, legislations and the efficiency of ODA use are positively associated with both bilateral and multilateral donors' intention to continue providing ODA. All of them have 99% statistical significance and have linear correlation coefficients of 0.406; 0.319; 0.327; 0.425 respectively.

**Table 7:** The correlation coefficient matrix between the dependent variable donors' intention to continue providing ODA with independent variables

Variables	General target	Current policies, institutions, legislation	The changes of current policies, institutions, legislation	The efficiency of ODA use	Donors' intention to continue providing ODA
General target	1				

<b>Current policies, institutions, legislation</b>	0.074	1			
<b>The changes of current policies, institutions, legislation</b>	.341*	0.055	1		
<b>The efficiency of ODA use</b>	.368*	.281**	.279**	1	
<b>Donors' intention to continue providing ODA</b>	.406*	.319**	.327**	.425**	1
*. The correlation is significant at the 0.05 level					
**. The correlation is significant at the 0.01 level					

## 2.4 Testing of model relationship

Regression analysis was performed to determine the relationship between the dependent variable of donors' intention to continue providing ODA and independent variables. According to Table 8, we see that the variables: changes of current policies, institutions, legislations; the target conformity between the donors and the recipients; current policies, institutions and legislations; and the efficiency of ODA use has a positive impact on the donor's intention to continue providing ODA and is statistically significant ( $F = 17,064$ ;  $p \leq 0.001$ ) and explains 32.3% of the variation of Intended to provide donor's ODA capital. Thus, hypotheses H1; H2.1; H2.2; H3 is supported.

**Table 8:** Testing result of the relationship of dependent variable of Donor's intention to continue providing ODA with other independent variables

<b>Equation Variable</b>	<b>Model (Beta)</b>
<b>Main variable</b>	
The target conformity between ODA donors and the recipients	<b>.250***</b>
Current policies, institutions and legislations	<b>.228**</b>
Changes of current policies, institutions, legislations	<b>.167*</b>
The efficiency of ODA use	<b>.222**</b>
Adjusted R <sup>2</sup>	.323
F	17.064***
<b>N = 148 ; <sup>a</sup>p ≤ 0.1; * p ≤ 0.05; ** p ≤ 0.01; *** p ≤ 0.001</b>	

Equation Variable	Model (Beta)
<b>All correlation coefficients have been standardized</b>	

## 2.5. Testing results on the difference between bilateral and multilateral donors

The group test was conducted to determine the difference of viewpoints between bilateral and multilateral donors on: the target conformity between the donor and the recipient of ODA; current policies, strategies, institutions and legislations; changes in policies, strategies, institutions and legislations; evaluation of donors with Vietnam's efficient use of ODA capital; donors' intention to continue providing ODA to Vietnam.

In this case, the author will use the Independent Simple T-Test to test the difference between the two donor groups as mentioned above. Testing results for two groups of donors show that there is a difference between the two groups of donors regarding their views to "changes in current policies, institutions and legislation; the target conformity between the donor and the recipient; current policies, institutions and legislation; the efficiency of ODA capital use" has a positive impact on the donor's intention to continue providing ODA and intention to continue lending.

## DISCUSSION

Thus, through the modeling and implementation of model tests, the authors reached some conclusions as follows:

- *The regression analysis results support a part of the hypothesis H1* that the goal between donors and recipients of ODA has an impact on the intention to continue attracting ODA capital in order to achieve the goal of ensuring social security in Vietnam.

**Table 9:** Average score of variable "the level of target conformity between donors and recipients of ODA capital "

Observed variable	N	Minimum	Maximum	Average
Muc_Tieu1	148	1	4	2.43
Muc_Tieu2	148	1	4	2.36

<b>Muc_Tieu3</b>	148	1	4	2.28
<b>Muc_Tieu4</b>	148	1	4	2.34

Looking at Table 9, we have some comments as follows: variables related to the target conformity between the parties have not been highly appreciated by donors. It is shown in the answers to the questions that none of them completely agree (level 5 on the Likert scale) but only stop at the level of agreement (level 4 on the Likert scale). Thereby we can comment that the level of donors' satisfaction with the objectives of the social security projects given by the Vietnamese side is not high. Not only that, the questions all have an average of less than 3, all of them have a "completely disagree" answer (level 1 on the Likert scale), so the ratio of questions answered at level 1 and 2 have a large number. Thereby we see that there is a negative assessment of the donor's target conformity with Vietnam. This is due to the following reasons: *Firstly*, there has not been a thorough investigation of the goals of donors when providing ODA to Vietnam. This leads to instead of launching projects in line with the goals of the donors, we make inappropriate projects and then forcefully shape them to suit the goals of the donors; *Secondly*, for projects that are not in line with the donor's goals although they are urgent and crucial in accordance with Vietnam's social security goals, we do not have convincing evidence for donors, or cannot find suitable donors for the project, leading to forced activities to meet the target. This is also the reason that many donors now assess that Vietnam has misused ODA capital, reducing its ability to attract ODA to achieve the goal of ensuring social security in Vietnam in present and future.

**Table 10:** Regression result between dependent variable of Intention to provide ODA and independent variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-.154	.483		-.320	.749		
TB_MucTieu	.374	.115	.250	3.255	.001	.802	1.247



TB_ChinhSach	.322	.101	.228	3.185	.002	.919	1.088
TB_ThayDoiCS	.223	.099	.167	2.248	.026	.856	1.168
TB_HieuQua	.299	.105	.222	2.839	.005	.775	1.290
a. Dependent Variable: TB_KhaNangCapODA							

According to Table 10, we have the following remarks: Beta coefficient of the variable of Target conformity between ODA donors and recipients has the greatest impact and is positively related to the donor's ability to provide ODA. Specifically, when the target conformity between the two parties increases by 1 unit, the donor's ability to provide ODA will increase to 0.250 units. Therefore, in the coming time, the government and responsible agencies at both central and local levels should consider focusing on improving this factor, in the direction as following:

*Firstly:* Strengthen understanding of the goals of the donors, thereby finding feasible projects that are suitable to their objectives.

*Secondly:* Regarding projects that are not in line with the goals of the donor but play an important and urgent role for the social security of localities and the country, the Government and relevant agencies should study and clarify the purpose and importance of the project, thereby persuading existing donors to support or calling new donors to grant ODA to the project.

**- Regression analysis results of Policies, strategies, institutions and legislations also support the hypothesis H2.1 and H2.2.** In the model factor analysis affecting Vietnam's ability to attract ODA, this is the factor that is most appreciated by donors, with all responses having an average value of greater than 3, this is an assessment consistent with the actual situation. Until now, Vietnam has been assessed as a country with stable politics with extremely firm policies and strategies for economic development. Especially, in the field of social security, as our state is an institution defined as "belonging to the people, by the people and for the people" according to President Ho Chi Minh's thought. Ho Chi Minh mentioned that "... do what is beneficial for the people, if there is no benefit to the people, we will not do it", so all policies and institutions in social security issues are all very favourable. Although this factor only plays the lowest role in

the model of factors affecting ODA attraction in order to realize the goal of ensuring social security in Vietnam, this is still a good sign if viewed from the perspective: Donors are always and fully assured of Vietnam's policy stability, they have carefully studied this issue before providing ODA to Vietnam. As such, this factor becomes less important in their viewpoint when assessing the ability to provide ODA to implement the goal of ensuring social security in Vietnam. But we also need to keep in mind that being highly valued in policy stability partly means that our policies are slow to innovate and to keep pace with the changes in reality.

**- *The regression analysis result of the efficiency of using ODA also support the hypothesis H3.*** It can be seen that this is a factor that has a great impact on the ability to attract ODA to implement the goal of ensuring social security in Vietnam, showing that when we increase this factor to 1 unit, the ability to attract ODA will increased to 0.222 units. With this role, the factor needs good evaluation from the donors. However, in fact, according to the survey results, this factor received a low rating from donors with no answer completely agreeing with the statements (in a positive direction) of observed variables. This is also consistent with studies of other authors when the efficiency factor in using ODA is also not highly appreciated in attracting ODA to implement the goal of ensuring social security in Vietnam. Different from the target conformity factor, although the efficiency factor does not have such a strong effect (in fact, there is not a huge difference in the influence of these two factors on ODA attraction - 0.250 with 0.222) but the consequences that this factor are not highly appreciated have greatly impact on the reputation of Vietnam, thereby strongly affecting the ability to attract ODA. We see that the Target conformity factor affects the initial ability to attract ODA, this factor is closely linked to each individual project, if this factor is poorly assessed, it will only affect the ODA attraction of that project. But regarding the Efficiency factor, if it is not appreciated, it will reduce Vietnam's reputation in the eyes of donors, creating a bad precedent and entailing affecting future projects. In addition, because ODA is not an incomplete giving, but most of it is borrowed, it also means that the recipients must pay, not only principal, but also interest. If we use it incorrectly and ineffectively, the consequences will put enormous pressure on public debt. Therefore, in

the coming time, the Government and relevant agencies should focus on immediately addressing this issue.

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