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Neo-Liberalism's Influence on National Governance and Public Function Privatization: Insights and Recommendations for Vietnam

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Abstract. Over the past two decades, the privatization of public functions in Western countries has intensified, generating private capital profits within public sectors. However, this trend has also deepened financialization, where public management is increasingly influenced by financial capital interests, leading to cycles of public debt, privatization, and reductions in public services. The crisis of neo-liberal national management is evident in the trajectory from industrialization and financialization to stagnation—marked by political inertia, the inability to address rising poverty and inequality, and the deepening socio-political crisis across contemporary Western nations. By examining this crisis within the framework of neo-liberal reforms in Western countries, this article offers valuable lessons for Vietnam, particularly in the context of expanding public-private partnerships and enterprise equitization.

1. INTRODUCTION

Neo-liberalism or Institutional liberalism is a thought trend including the researches, opinions on the values of an economy such as liberal market, liberal trade, the view of eliminating price controls, deregulating capital markets, removing or gradually reducing trade barriers, especially privatization and austerity policies (Taylor C. Boas & Jordan Gans-Morse, 2009). Neo-liberalists such as Friedrich Hayek, Margaret Thatcher or Ronald Reagan always advocate for the principles of minimum government, minimum spending, minimum taxation, minimum regulation and minimum direct intervention in the economy. They believed that the market forces, in terms of natural essence, should promote in different legal and social fields, and attain the highest level of advantages. The basic characteristic of neo-liberalism is believing on stably economic growth, considering it as the means of promoting the progress of mankind. Both of Neo-liberalism and Modern Liberalism have similar terminology and origin from 20th century classical liberalism. However, there are also basic differences between these thought trends. Modern Liberalism have many viewpoints opposite to Neo-liberalism. Modern Liberalism developed according to the tradition of free society, which focuses on free individual rights (J. Rawls is a typical case). Particularly, they strongly support public exspenses (education, healthcare and social wealthfare), pay more attention to social issues such as immigration, economic inequality, women's rights or the rights of the LGBT community…

In the 1970s, the economic recession and rising public debt in many countries around the world led some economists to support and promote a return to classical liberalism, whose main form is called Neoliberalism. The leader in building the Neoliberalism movement was economist Friedrich Hayek, who argued that state interventions aimed at redistributing wealth would inevitably lead to Totalitarianism, or the view of American economist Milton Friedman: Fiscal policy is a means of harming the business cycle. Their views were enthusiastically supported by major conservative political parties in Britain and the United States. When these parties come to power, the policies of neo-liberalism are not only popularized and widely applied in capitalist economies but also become a means and card to impose on a number of developing countries, and Egypt is the clearest example. But since the financial and economic crisis and the great recession in the United States and Western Europe in the years 2007-2009 forced some economists and politicians to rethink the free market, and called for the government to have a clearer role in the banking and finance industry, the policy of neo-liberalism has accordingly been limited.

As the reforms of neo-liberalism are penetrating deeper and deeper into the public sector, it means that Western countries are facing a situation of "vacuuming" public functions, depoliticization of public policy, privatization of public services and financialization of public management, causing states to fall into the trap of stagnation, austerity and the public debt crisis. The legitimacy of public functions and the state's ability to resolve social, economic and political conflicts have been greatly weakened. Public functions are the foundation of the national governance system, conducting research on this issue is of great significance in pointing out the breakdown of neo-liberalism, consolidating and promoting the process of modernizing the governance system and governance capacity of the socialist state of Vietnam in the current context.

2. PUBLIC—PRIVATE PARTNERSHIP AND THE ISSUE OF PUBLIC SERVICES PRIVATIZATION

Public—private partnership means the government transfers the design, financing, construction, operation and other links of public projects and works to the private sector to provide public services by signing agreements with the private sector. The widespread implementation of public-private partnerships in Western countries began in the 1990s, with the foundation of neo-liberal reforms, specifically manifested by strong industrialization, certain economic stagnation, narrow tax base and increased dependence on welfare leading to increased financial pressure, Investment in infrastructure and provision of public services does not meet demand; Neoliberal austerity forces governments to seek supply and investment from private capital. For example, the EU's "Stability and Growth Pact" (SGP) limits the financial deficit and public debt of member countries as a percentage of GDP,

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or the United States allows the federal government to apply the "Bankruptcy Law" on government bonds, creating a "fiscal cliff" crisis. In a state of stagnation and financialization, infrastructure becomes a lever used by post-industrial cities in the West to attract private investment, expand credit and asset bubbles associated with maintaining accumulation and financial growth. The new public management mechanism has denied market failures and the government's consensus in providing public services, advocating through marketization of the public sector, targeting business models of private enterprises and outsourcing services to save costs and improve efficiency; Maximize the role of international multilateral organizations such as the World Bank and the World Monetary Fund. Be an important part of "Washington Consensus", "Reform Loans" and structural adjustment plans supported by international organizations or requiring emerging and developing countries to apply reforms related to public management.

Public—private partnership is a hidden form of private capital and they have many tricks that create many effects and serious consequences. From practice in Western countries, public-private cooperation mainly manifests itself in the following aspects:

First, private capital has the right to control the operation of public facilities and services. The traditional Western public-private partnership system includes public-private joint ventures and government-led design-bid construction. In both cases, the Government is both the investor and the main supervisory agency for the enterprise, able to control the funding, operation and income distribution of the project, carry out effective supervision and implement public goals based on public property rights. In the second case, the government uses split bidding to force design agencies, banks and construction companies to participate in competitive bidding, thereby reducing design, public financing and construction costs. Under the regime of neoliberalism, the franchise contract system is considered the dominant form of public-private partnership, characterized by a special-purpose entity established by a private corporation (construction contractors, financial institutions and commercial operations) to exercise integrated control over design, financing, construction, operations and maintenance activities. The government contracts with private partners to purchase services and conduct external monitoring. Under this model, the project's public property rights are unclear, and the private corporation has no obligation or uses trade secrets as a basis for refusing to disclose information or share benefits with the government, resulting in a lack of public accountability and oversight in the project implementation process. In terms of project design, financing, service costs or pricing, there is a serious information asymmetry between the government and private companies, and the public sector can easily fall into a passive state.

Second, privatize tax revenue and tax collection rights. Through external services, in the form of concessions and leases, the government transfers the tax collection rights of the project to the private sector to compensate for the provision of “off-norm resources” and public services. However, we do not have any evidence that privatization of public revenue is reasonable. Firstly, the application of the public-private partnership system and the replacement of public investment with private investment with the desire to limit and tighten the public budget, but the end result is that more public expenditure is used to compensate for private investment. Second, when private services replace public activities, it also means that the public sector gradually loses opportunities to demonstrate its capacity in business activities, not creating shifts in investment, management and technology from the private sector to the public sector. The World Bank has also admitted that “public-private partnerships often cannot provide additional resources to the public sector” (IEG, World Bank Group Support to Public-Private Partnerships). *Third,* long-term revenue from the government transferring projects to the private sector, to seek income from property rental, reduce public spending, improve public services and relieve financial pressure. However, these targets were not achieved and the situation became worse. Financial pressure has caused governments to lose their ability to negotiate with the private sector, even when private bidding prices for project leasing are higher than government expectations, declines in asset values and revenues in the public sector have become a common phenomenon. *Fourth,* the government has applied the compensation method in the most beneficial direction for private investment, that is, regardless of whether the project is transferred or not, whether it can generate enough income stream or not, the government also uses public financial revenue to compensate, Instead of private enterprises recovering their own costs through project fees (typical in traffic infrastructure investment projects and road toll collection in Vietnam today).

Third, fiscal tightening policies have forced the privatization of public services. In Western countries, especially the European Union, public-private partnerships are increasingly used as a means to overcome budget constraints as well as expand off-budget expenditures. Although "build first, pay later", and the government is identified as the final entity in the project investment chain, if private investment activities are allocated to public debt in the budget, it is easy to create limits for the public budget. To overcome limitations, off-balance sheet budgeting methods[1] used by private companies to circumvent the disclosure of information applied to the public budget system in order to hide the actual level of public debt and create an "illusion of off-balance sheet budget", meaning no public debt in the short term. Off-balance sheet expenditures increase the spontaneous privatization and debt of neoliberalism, becoming the norm of a dual public budget: limiting public spending and increasing public bond issuance, but not limiting the spending and debt related to privatization, and replace the former with the latter, technically breaking the budget limit; Private debt is replaced by public debt, socialization of private costs and privatization of social benefits; The fiscal crisis created by austerity and public debt has forced governments to privatize public services. In this regard, the EU points to the risk of increasing reliance on public-private partnerships because of the incentive to circumvent public budget constraints and expand off-budget spending, even if it is more expensive than pure public investment (European Commission, 2003).

3. THE COMMITMENTS IN PUBLIC-PRIVATE PARTNERSHIP AND IMPRACTICALITY

We also need to affirm that public-private cooperation brings benefits to both the state and the people because it takes advantage of financial resources and management capacity from the private side, reducing the state's investment burden while still ensuring benefits for the people and society. When applying public-private partnership, both the state and businesses benefit. Public-private cooperation first aims to mobilize private capital sources to participate with the state in providing services to meet social requirements, helping the Government reduce the burden of budget spending for direct service provision, Thereby reducing the state budget deficit, focusing budget resources on activities to ensure equity and social security, and assisting disadvantaged groups such as the poor. However, the benefits of public-private cooperation do not stop there, but through public-private cooperation, the State can also improve its ability to access advanced scientific and technological achievements and increase the efficiency of using budget capital. However, we also need to clearly analyze their unrealistic nature.

First, failure to save public spending will definitely create a crisis. Public-private partnerships involve financial and construction relationships, complex operational processes, and high transaction costs (including consulting fees, lawyers, credit ratings, audits,

[1] The estimate is off the budget balance sheet.

etc.), resulting in much higher facility and service costs than if the government built and operated it itself. For example, private finance investment interest rates for public-private partnership projects in the UK average from 7% to 8%, twice as high as government finance interest rates (from 3% to 4%) (Jubilee Debt Campaign, 2017). The same thing happened in the United States when the cost of outsourcing services from the US federal government to private companies was 5 times higher than the cost of operating the government itself (Pogo, 2011). Meanwhile, the average spending costs of governments in the EU account for only 10% of the value of public-private partnership projects (G. Dudkin and T. Valila, 2006). We believe that public-private partnerships are also the cause of recession and financial crisis. Countries such as Cyprus, Greece, Ireland, Portugal, Spain and the UK - where public-private partnerships are most common - are all facing serious financial problems. From a global perspective, public finance is still the absolute source of finance for infrastructure construction, accounting for more than 90% of total capital. In most OECD countries, the share of financial investment in public-private partnerships does not exceed 5%, and even in Australia and the UK, private investment accounts for only 15% (PSI, 2005). Because of fear of loss of public finances, Sweden and many countries have strongly opposed public-private cooperation in any form. When summarizing the lessons learned from investment projects, the European Investment Bank pointed out that: "A healthy public sector does not need public-private partnership, and a bad public sector should stay away from public-private partnership" (Robert Bain, 2009).

Second, private activity is no more efficient than public activity. Public-private cooperation is propagated as a solution to improve efficiency, but in reality it lacks sufficient evidence to prove it. A visual example is that Europe's public healthcare system has lower costs and higher medical quality than the US private healthcare system. In performance evaluation, financial performance is always used to replace production and distribution efficiency to demonstrate the rationality of the privatization process, but the financial performance of public services is not a top priority. Private monopolies dictate strict demands for public services and a steady stream of income, and concession contracts give private companies the power to set prices, making it not difficult to achieve high profits. Of course this will increase social costs. In addition, project profits are mainly distributed to private shareholders, are rarely used to reinvest and improve facilities, and affordability and coverage of services are relatively poor. Over the years, the World Bank has actively promoted public-private partnerships, but the Independent Evaluation Group (IEG) survey shows that there is little actual data on the long-term effectiveness of public-private partnerships, and the overall effectiveness ratio necessarily tracks the entire public-private partnership process. But even by financial standards, the implementation of public-private partnerships remains unsatisfactory. In all evaluation samples of the Independent Evaluation Group, the failure rate in administrative reform is 45%, and the failure rate in operations is 38%, the failure rate in railway, highway, energy and water projects is 50%, 40%, 67% and 41% respectively (IEG, 2014). The private sector is only interested in projects with low investment capital, quick capital recovery, high tax revenue or highly exclusive rental prices. The benefits of many projects depend largely on macroeconomic factors and have little to do with private ownership or management factors.

Third, Strengthening private monopoly instead of fair competition. Private monopolies are determined to be ineffective in producing competition, and the same is true of private capital. Infrastructure and services have demanding characteristics in terms of social needs, high investment thresholds, economies of scale, and complex technology and management. Private capital is often joined by private associations and established by financial institutions, construction developers and operators, their purpose is to avoid the risks of liability of the parent company to its subsidiaries in investment projects, in order to exercise better control. However, in this model, few companies are able to participate in the bidding process. Companies with high specialization and little capital are often not allowed to participate in bidding. Bidding only benefits private contractors rather than fair competition, causing the bidding process to lack competitiveness, transparency, and the ability to monitor democracy. When the scale of investment exceeds the capacity of private capital, to promote the privatization process, public assets can be appraised and transferred at low prices or can be divided and privatized for competitive reasons. The failure of the British railway privatization process shows that split privatization does not create effective competition but instead blurs the lines of responsibility between the operating company and the railway management company, leading to insufficient investment, low efficiency, high ticket prices and constantly increasing government subsidies. The penetration and monopolistic control of Western multinational capital in the global public sector is not created through competition or innovation, but by political design (Dvid Hall, 2004).

Forth, The privatization process is consuming and damaging public interests. In the 21st century, privatization of public services has received a lot of criticism and opposition, and there has been a resurgence of the trend of revitalizing the development of state-owned enterprises, especially in developed countries. In public sectors such as water supply and drainage, health care, environmental sanitation, energy, transportation, housing, and education, more and more local and national governments have introduced regulations to terminate contracts early, not renew them after expiration, buy back projects, carry out the process of re-nationalization and other forms of public ownership and public management (Sato Kishmoto & Oliver Petitjean, 2017). High prices, low investment, opacity, corruption, excessive layoffs, environmental sacrifice and extortion of local governments are the main reasons for opposition to privatization. The public benefit valuation system includes the ability to save public spending, provide and distribute services at low and equitable costs, improve the living conditions of disadvantaged groups, and protect the environment. Due to focusing too much on profits, not enough investment, high operating costs and prices but poor quality, it has neglected and harmed vulnerable groups with low incomes in society, exacerbating social injustice, most notably the privatization of global water resources. With this problem, the World Bank argues that we cannot bring benefits to the poor to the greatest extent, but admits that, in terms of hunger eradication and poverty reduction, promotion and sharing of prosperity, when evaluating the impact of public-private cooperation, people rarely mention it (IEG, 2014).

Forth, Private capitalism erodes community rights. Contrary to promises made during the implementation of privatization reforms to transfer investment risks from the public sector to the private sector. With the help of contractual concessions and legal lobbying by interest groups, the interests of private capital are recognized and insured against all risks. Seen from the practice of Western countries, this mainly manifests in the following aspects: (1) the government protects debts and the ability to recover capital for private contractors. This type of guarantee mechanism, on the one hand, stimulates private individuals to increase financial costs and moral risks due to default, especially when financial investment activities become a transfer of rights in private corporations; On the other hand, when problems arise such as inadequate service provision, budget overruns, unfavorable operations and maintenance, and failure to achieve the expected profits expected by capitalists, this forces the government to compensate. (2) Non-competition provisions. The government cannot participate in construction and renovation activities of project items because it has ceded rights to the private sector, which will affect their income. Even if the losses stem from high investment costs but low number of service users, the government still has to financially compensate the private company. In other words, protecting the interests of private capital deprived the government and the public of the power to improve public facilities and protect public interests. (3) Clause permitting contrary action. Any action by the government that increases the costs of private contractors or creates a negative impact on the value of the concession contract will immediately trigger the private capitalist financial mechanism against the government. If the government implements nationalization, the government must pay a huge amount of money to buy back the project. In fact, this incident has happened quite a lot in Vietnam. Typically, in October 2021, Vietnam's Ministry of Transport proposed to use 9,427 billion VND from the Sustainable Economic Recovery Program until 2023 to buy back seven traffic BOT projects that could not collect fees or had collected fees but did not receive the consent of the people. (4) Provisions on administrative sanctions. In order to force the public to use public services invested and exploited by the state to private individuals, the concession contract allows private enterprises to enforce provisions on administrative penalties for citizens who violate the requirements of private enterprises (Stephanie Farmer, 2014).

4. FINANCIALIZATION OF PUBLIC ASSETS AND PUBLIC MANAGEMENT (PRICING ON RISK)

Privatization and financialization are closely related, privatization amplifies the functions of financial markets and creates various speculative derivatives with asset income streams, thereby promoting the process of financialization. Because public institutions and services have a stable income stream guaranteed by the government, similar to financial assets, it promotes the process of financialization and securitization of income streams from public assets. Financialization is beneficial for financial institutions and private contractors seeking cross-border tax avoidance, risk transfer, value discounting and high investment returns from project refinancing, contract resale and asset transactions (Philip Aston, Marc Doussard and Rachel Weber, 2012). As a result, public service systems are increasingly dominated by predatory lending, and governments gradually lose strategic control over public assets. Financialization has raised questions about financial assumptions beyond norms and the development of public-private partnerships. Practice has shown that, contrary to the mainstream assumption that public investment overwhelms private investment, reducing public investment creates a "complementary paradox", that is, large-scale privatization of public facilities is accompanied by deterioration and aging of infrastructure, as well as inadequate investment and supply; The higher the proportion of private capital, the stronger the influence of private interests on the implementation of public service decisions and the smaller the influence and supervision of the public sector on the implementation of social, economic and environmental goals of the project (European Network on Debt and Development, 2013).

The financialization of public assets will inevitably lead to the financialization of public budgets and management. Due to fiscal tightening, tax cuts and subsidies for private investment, public budget revenue relies more on public debt, leasing and sales of public assets than on tax revenue. Public management is increasingly dominated by capital markets and public finance has become a cash machine for private capital. Take municipal bonds that finance public projects in Western developed countries as an example, which not only exempt bonds from taxes but also allow holders to enjoy public property rights. Once the public budget depends heavily on the capital market, budget spending must prioritize the interests of creditors over the public interest, even relying on methods such as cutting public services and employee salaries, Misspending or delaying pension payments, selling public assets and other methods to prioritize debt repayment. Abusive designs on municipal bonds (such as banks' interest rate swaps and pension swaps into municipal bonds) increase the likelihood of government default. Interest rate swaps not only cause the government to have to pay a large amount of commission, get stuck in high interest rates, have no ability to hedge against the risk of interest rate fluctuations, while the cost of terminating the interest rate swap transaction is high. Many local governments in the US spent hundreds of millions of dollars to terminate swap contracts and fell into a public debt crisis due to high-interest loans (Saqib Bhatti and Renaye Manley, 2015).

Public bonds were initially the most reliable investment instruments, but fiscal austerity and reliance on private financing artificially created the risk of government default, forcing government credit to be determined by private entities instead. Financial difficulties and credit downturn have forced the government to increase interest rates on public debt, or use pensions and public fiscal revenues as collateral, failing which financial institutions will refuse to mobilize capital. Fiscal tightening and financialization of the public budget have increased the financial dependence of public management and the costs of public operations have become increasingly high. Government payments to financial institutions even exceeded public service spending, causing a series of U.S. municipal bankruptcies. From 2012 to 2013, the Los Angeles city government paid up to US$204 million to financial institutions, while the city's public service costs during the same period were only US$163 million (Fix LA Coalition, 2014). Local governments, which are constrained by austerity policies, are forced to lease and sell high-income public projects to the private sector, or implement costly public-private partnerships. This type of public deficit finances drinking poison to quench thirst, leading to a vicious cycle of financialization and privatization of public functions.

5. LIMITATIONS OF PUBLIC FUNCTIONS IN WESTERN CAPITALIST STATES

Regarding the provision of general conditions of production such as infrastructure and public services, Marx once made a dialectical statement. *Firstly*, according to the general objective requirements of large-scale social production such as saving social labor, reducing social costs, increasing productivity, meeting public needs, emphasizing the significance of using finance and the state to implement public policies. *Second*, capitalism creates all social production conditions to serve itself, capitalizing all development trends of "social reproduction" and social demands, revealing the contradiction between the organization of private production based on profit motives and the common interests of the capitalist class or the general requirements of the diffusion of capital, such as increasing the costs of producers, “the state bears losses”, and “seeks only special conditions for its own increase in value”, push all the difficult conditions and public losses to the state.

Since large-scale industry became dominant, the function of providing general conditions of production has been performed almost exclusively by the state, including the nationalization of losses of the material sector. The concentration of capital, increased investment scale and risk, and reduced profit rates make this sector unattractive to private capital, and capitalism unconsciously follows the objective laws of mass socialized production. State control over these sectors plays a key role in ensuring social stability and the international competitiveness of businesses. During the 1970s, the contradiction between overproduction and capital accumulation accelerated more than ever before. With the financial support of the state, private capital has expanded into the public sector by privatizing public functions and turning it into "special production conditions" for private profit, and this has exacerbated the financial crisis and social inequality, reflects the historical limitation of capitalism in depending on all conditions of social reproduction and human needs to increase capital.

This limitation is reflected in the duality in capitalist countries and their functions. The capitalist state is both a capitalist state, a comprehensive capitalist ideal, and a committee for managing the common affairs of the entire bourgeoisie. It is also a form and illusory representation of social interests, helps resolve conflicts and maintain capitalist order by performing public functions. According to James O'Connor, through social spending, capitalist countries perform accumulation functions to increase labor productivity and maintain the profitability of capital, as well as legitimation functions to reduce social conflicts and maintain social reproduction, making latecomer countries comply with the needs of previous countries (James O'Connor, 1973). The public management crisis is an inevitable result of capitalist countries performing the two opposing functions mentioned above. And the financial crisis stems from the contradictions of the monopoly capitalist production method. The political crisis depends on the economic and financial crisis, the state cannot perform the necessary public functions to reduce social conflicts, which is a crisis in crisis management (James O'Connor, 1973). According to the Ford system - a system of large-scale industrial production at the national level, Keynesian demand management balanced aggregate supply and social demand by expanding public spending, taking into account compromises on labor and capital accumulation. When public spending failed to resolve the crisis of overproduction and falling profit margins, monopoly capital turned to the globalized space for accumulation and recovery. They gain arbitrage advantages in global prices such as labor, resources, taxes and control. Public spending, especially welfare spending, is seen as a cost of international competition, not a source of domestic demand. Keynesian demand management was abandoned in the wake of inflation, economic stagnation and fiscal crisis, to be replaced by neo-liberal supply management characterized by tax cuts, austerity and high levels of privatization.

From Keynesianism to neo-liberalism, the accomplishment of capital accumulation is carried out with the help of states, which explains the nature of the "public" function of capitalism. The concept of "governance" is metaphorically referred to by neoliberalism as "limited government" and "self-governing markets," emphasizing the functions of the state in terms of simplification and multi-subjective governance. In essence, monopoly capital relies on state power to gain "the right to reconstruct the conditions of capital accumulation and restore the economic elite" (Claus Offe, 1976), This fact is also recreated once more by Patrick J. Akard in "Bringing the economy back in (again): conceptions of the capitalist state and their relevance for public policy" (Patrick J. Akard, 1986). Neoliberalism is by no means an antagonism between state and market, or "anarchist governance". While rescuing private monopoly capital, in terms of absolute and relative amounts of public spending and public debt, "small government" neoliberalism is much higher than "big government" Keynesianism. Privatization of public functions through the public-private partnership system stems from the inseparability of public power and public functions. The purpose of privatization is not efficiency and social benefit, but the interests of monopoly capital need to be protected by the legal form of public power. It has been promoted globally as a successful model of national governance, but it has proven to be a governance model that fails to meet the crisis of capitalism in Western countries (David Harvey, 2005). Public functions are the foundation of the country's legitimacy and governance, and their privatization demonstrates the insurmountable classism, narrowness and limitations of capitalist states and even Its function.

6. THE CRISIS OF NEO-LIBERALIST STATE MANAGEMENT

The privatization of public functions has seriously weakened the ability to govern the country according to the principles of neo-liberalism, revealing many weaknesses and crises in promoting economic growth and accumulation, as well as legitimizing political power.

Firstly, neoliberalism is incapable of turning the dilemma from industrialization - financialization to being able to resolve the stagnation situation. The essence of neoliberalism is financial capitalism, and its accumulation is characterized by the financialization of centralized capitalism and the accumulation of peripheral production. With the export of capital and productive capacity, Western countries fell into the trap of industrialization and stagnation. In addition to relying on the backflow of foreign exchange reserves from peripheral countries to support financial markets, financialization cannot be achieved from investment in production but instead relies more on state intervention to achieve "accumulation in deprivation", which is the privatization and financialization of all public institutions, resources and services. Among them, the privatization of the conditions for labor reproduction (housing, pensions, health care, education) has transformed social security from a citizen's right into an individual obligation, with household income directed to capital markets and real estate, to sustain credit expansion and asset bubbles, promote the transfer of labor income to capital, and increase the dependence of labor on capital and neo-liberal policies (Ngo Khac Son, 2017). Marketization and privatization of the conditions of material reproduction including natural resources have exacerbated the global ecological and climate crisis within the framework of financialized environmental management systems, At the same time, the maintenance and operation costs of high-cost, finance-oriented public works, projects and services continue to increase, making the actual development of the economy even more difficult. Financialization is maintained by privatizing public functions, which leaves Western countries with an excess of public resources and organizational capacity to correct anti-social development trends. fragmentation, imbalance and unsustainability as inherent in capitalism. From the average results of economic growth rate, investment rate, labor productivity and profit rate, the neo-liberal reform period is not as good as the Keynesian period.

Second, neoliberalism cannot solve the problems of poverty, unemployment and inequality that are plaguing Western society. The neo-liberal crisis is not a crisis of capital accumulation or profits, but is 99% a crisis of interest groups (Nguyen Hung Vuong, Mai Thi Hong Lien, 2021). Neoliberalism was not rejected but was increasingly reinforced by austerity policies, seen as necessary to protect the interests of monopoly finance capital. Maintaining a policy of austerity and financial stagnation is aimed at reducing public spending, while creating an unstable, free-riding working class that puts pressure on workers' and unions' wages, increasing dependence of working families on debt and capital markets, so that monetary policy can selectively support asset price inflation under the premise of deflation. Following the trend of industrialization, this policy has strengthened the relationship in non-productive labor management and financialization. The working class is increasingly divided (differentiated and shrinking "middle class"), degraded (unskilled, unprofessional and informal) and impoverished. "Platform Economics" controlled by financial capital has become a new channel to absorb surplus labor. This is a gig economy with the nature of capitalist exploitation but without hired labor, without wages and benefits, at your own risk and working overtime continuously. The privatization and financialization of the social security system does not turn the working class into the "owning class", on the contrary they face unemployment and underemployment, low wages, debt and Poverty is a class lacking social security, education, health care and livelihood crisis.

Third, Neoliberalism has failed to ameliorate the growing crisis of democratic politics. Neoliberalism has exacerbated conflicts and divisions in Western society, at the same time affecting the foundation of society, pushing Western society into policy and ideological crises, At the same time, it promotes movements against the current institutional system and elite politics. Neither mainstream Western parties, including the Social Democrats or the Labor Party under the "centre-left" label, are able to provide an alternative to neoliberalism. Leftist forces have been suppressed and weakened for a long time. Under the control of the forces of political speculation, anti-globalization movements, separatism, xenophobia and right-wing populism have become factors driving social discontent and deflecting the vision of contradictory neo-liberalism. As a "depoliticized" neoliberal governance design, the privatization of public functions aims to isolate public oversight of social policies and free the private monopoly economy from "political intervention". According to the most effective discourse on privatization and marketization, not only do contradictions such as inequitable distribution fail to be included in the political reform agenda, but also because privatization confuses the boundaries between the public and the private, a gray area of accountability and oversight of public functions has been created. The financial crisis of private-sector profit and cost shifting has provided a "windmill" for neo-liberal groups to attack government inefficiencies, and provide impetus for continued austerity and privatization. The privatization of public functions increasingly limits the role of public decision-making and management in Western states, and weakens problem-solving capabilities. The National Assembly was turned into a funeral hall, elections into a performance, referendums like child's play, the party program converged with the neo-liberal consensus, public enthusiasm and trust in political issues tended to decline sharply, Western democratic politics fell into a serious crisis of public trust (Francis Fukuyama, 2018).

7. THE MEANINGS OF THE CRISIS OF NEO-LIBERALIST MANAGEMENT TOWARDS VIETNAM

Neoliberalism has long been seen in the West as a "no choice" governance solution, and now its systemic crisis on a global scale has shown that the world needs alternatives. The crisis it brings is becoming more serious and systemic globally, which has required new options for our world. In recent years, Vietnam has had many remarkable achievements in state governance, making important contributions to global and regional governance, especially contributions to Asean regional governance. In addition, Vietnam is expanding multilateral and bilateral cooperation in helping some poor countries in the world modernize and develop. In the new context, the Party and State advocate continuously promoting the modernization of the national governance system and governance capacity. Modernization here does not mean Westernization. Its connotation is determined by the essential attributes of a socialist state imbued with the identity of the Vietnamese people. The connotation of modernization poses the need to resolve new contradictions in society, deploy and comprehensively implement socialist modernization, and improve the Party's capacity to govern the country. Public services are an important expression of a country's governance system and implementation capabilities, and have outstanding political and strategic significance. From studying the crisis of governance functions and the practice of privatization of public functions in Western countries and the practice of implementing projects in the form of public-private partnership in Vietnam from 2018 to present, We think that Vietnam needs to learn some of the following lessons:

First, It is necessary to comply with the nature of socialist functions in public service management activities. In Vietnam, public services are not only public goods, they also carry many political, economic and cultural functions such as contributing to enhancing people's ownership and socialist democratic politics; practice socialist core values, strengthen human and social ethics, and build cultural trust; improve and enhance people's lives, distribute social wealth and reform results; build a modern economic system, narrow the gap between rich and poor, the development gap between regions, promote the construction of new rural areas and eliminate hunger and reduce poverty; Promote the process of building a green, clean and beautiful ecological civilization. Trust in the Party's leadership and socialist-oriented civil service is the political premise for modernizing the country's governance system and capacity; is the starting point for implementing socialist modernization and improving the Party's capacity to govern the country. In particular, we should not copy the original form of governance of Western countries, eroding the governance system of the socialist state of Vietnam, which can lead to dangerous mistakes.

Second, Vietnam needs to rely on institutional advantages to build an equitable, effective and competitive public service system. The basic economic system with public ownership as the mainstay and the state economy as the pillar is one of Vietnam's institutional advantages. Aim to bring public partnerships, public-private partnerships or mixed ownership into the public service system; organically combine the advantages formed from different ownership systems, creating synthetic and complementary advantages for equity, effective governance and innovation, enhancing the effects of public investment capital and public functions to improve the quality and efficiency of public services; serving to expand domestic demand and promote domestic economic growth, fully demonstrating the comparative advantage and national competitiveness with Vietnam's mark; establish a diverse and coordinated multi-entity national governance system, full of vitality and subject to people's supervision.

Third, towards building an open and mutually beneficial national governance system globally. In addition to exercising public power, performing state functions in providing public products and services, responding to emergency situations and maintaining social stability; Vietnam's public service system is also expanding its ability to cope with domestic surpluses, reform the supply side structure, develop modern industry, resolve foreign relations multilaterally, and expand space for governance system and governance capacity of the socialist state of Vietnam. Independent innovation and breakthrough development of the infrastructure and equipment manufacturing industry led by state-owned enterprises, putting Vietnam on a new economic development path with constantly growing production capacity, enhance mutually beneficial cooperation, while strengthening Vietnam's voice and influence in global governance.

Fourth, properly handle corruption, group interests are closely linked to the policy of preventing and combating corruption. Works and projects in the form of public-private cooperation are prone to corruption and group interests because the investment purposes of the parties are different. Constructions and projects are susceptible to price increases, service delivery time being extended, or having to give up a lot of public assets in exchange for constructions, projects, or public goods and services. To limit this situation, especially the collusion between civil servants and investors, it is necessary to strengthen control of the investment process from preparation to investment and putting it into exploitation and use. During the process of using PPP projects, there also needs to be strict control so that private investors comply with the contracts committed to the Government or Government agencies.

Control needs to be established appropriately according to international practices, especially in the context of a developed country with high economic openness. Private investors are not only domestic investors but also foreign investors. In addition to the control of Government agencies, external control and supervision are also needed, such as audits by the national audit agency and supervision by elected bodies. This control, in addition to ensuring the enforcement of the law, also creates transparency to attract investors. The purpose of supervision is also to ensure the smooth provision of public goods and services without encroaching on the interests of participating parties. Vietnam needs to continue to research and build control and supervision institutions according to international practices and in accordance with reality in Vietnam. In the context of a deeply integrated economy and the promotion of foreign investment attraction, the application of international standards and practices is necessary for Vietnam today. This is also consistent with the Constitution and current legal regulations.

8. CONCLUSION

Public-private partnerships are becoming increasingly popular in promoting infrastructure development and providing public goods and services, while enhancing national competitiveness. Many governments consider cooperation with the private sector an effective tool to improve the efficiency of public financial resources and public assets, which are limited and must be prioritized for many urgent tasks. Originating from the neo-liberal reform in some countries such as the UK and the US... the public-private partnership model has been widely applied in many developed countries since the mid-70s of the twentieth century. Although not all countries are successful, for many countries, this model is still considered a positive solution, attracting private investors to participate with the State to share budget spending pressure for Government public services. From research and analysis of crises and weaknesses in governance functions and the trend of privatization of public functions, we believe that Vietnam needs to draw profound lessons from experience drawn by developed countries in the West after the neo-liberal reform, maintain the function and nature of the socialist state in the current context.

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