

Economic Development Opportunities and Solution Analysis

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ABSTRACT

This article focuses on analyzing opportunities analysis for Vietnam economic growth in recent years. Method: Include qualitative research method, synthesis and inductive methods. Results: Authors stated opportunities for economic development including but not limited to: M&A opportunities in the RE market still rising; coming from policy innovation efforts from the government (local); positive economic growth (average 5.2% last 3 years); develop new economic models on cycle economy, green economy, sharing economy, digital economy, chip industries, robotic, etc.

Keywords: SWOT; Factors; Economy; Growth; Commerce; Law.

1. Introduction

The concept of Circular Economy was first officially used by Pearce and Turner (1990). It is used to refer to a new economic model based on the basic principle that "everything is an input to something else", completely unlike the perspective of the traditional linear economy. The Ellen MacArthur Foundation describes the circular economy as an industrial system that recovers or regenerates by intention and design. It transitions to renewable energy, eliminating the use of toxic chemicals and waste that degrades reuse through superior design of materials, products, systems and in scope. Or to put it simply, a Circular Economy is turning the output waste of one industry into input resources of another industry or circulating within a business itself. A circular economy partly contributes to increasing value for businesses, reducing resource exploitation, reducing waste treatment costs, and minimizing environmental pollution.

Therefore, we will recognize there are many opportunities and challenges that come from its strengths and weaknesses, for instance, there will be challenges and difficulties from the government support, or banking and financial assistance. The opportunities will come from the efforts of government policy innovation, as well as commitment from investors (local and foreign).

Hence, authors chose the topic of Vietnam economic growth in recent years to research and our paper is organized with an introduction, previous studies, main findings, discussion, and conclusion.

Analysis of the latest research where the solution to the problem was initiated.

2. Summary of Previous studies

In particular, Reslan et al. (2022) mentioned that the Realization of a *Circular Economy* is paramount to solving global challenges in resource scarcity, sustainable manufacturing, and supply chain uncertainty. A *Circular Economy* (CE) is an economic system hallmarked by linearity reduction, decoupling of economic growth and resource depletion, and favoring regenerative models that consider sustainability. Growing support for a CE is

leading to the proliferation of new economic terms, standards, and research to meet the different goals of CE. Gheewala et al. (2021) stated – Both sustainable production and sustainable consumption must go hand in hand; producers produce sustainably and consumers consume sustainably. Sometimes a chicken and egg situation may evolve where the producers may claim that they will produce sustainably if there is a demand (price premium) for environmentally friendly products whereas consumers may claim that they will buy environmentally friendly products if these are easily accessible. Environmental labels or ecolabels may help to bridge this gap by providing environmental information to consumers who could then make a conscious choice. Of course, consumers may not make a choice based on environmental considerations alone – brand, price, other characteristics (e.g. nutrition for food products) may also play a significant role. If ecolabels can be combined also with life cycle costing information, then it makes much sense for the consumer. For example, electricity-using products in Thailand such as refrigerators, televisions, washing machines, fans, air conditioners, etc. often carry a No.5 label which shows the electricity consumption of a product as compared to a threshold benchmark. Such a label also shows the price paid for electricity during the use phase.

Moreover, Han, L.T. (2024) also analyzed and mentioned that there will be many macro factors including money supply and loans from banks that affect the domestic RE market.

Next, we also look at below table:

Table 1. Previous studies

Authors	Year	Content, results
Sonn & Lee	2012	These economic impacts are reflected in key economic indicators such as FDI’s contribution to Gross Regional Domestic Product (GRDP) and job generation. The branch-plant syndrome – negative consequences of the growth in the regions with branch plants being dominant – might appear in recipient locations if FDI projects are speculative or without extensive or intensive production networks.
Karagol & Dogan	2021	This study had Turkey as a case study, illustrating that there is a strong connection between the financial cycle and the economic cycle. In this sense, the authors recommend economic policymakers consider the role that financial factors can have in the efficiency level of the measures adopted by them. In the case of this study, the proxy variables for the dynamics of the financial cycle were not only those regarding the dynamics of credit but also those regarding the dynamics of the capital market.
Gheewala et al.	2021	Solutions to handle pollution have moved from end-of-pipe treatment to cleaner production and now towards a circular economy. A circular economy tries to move away from this linear model in trying to extend the life of products and services while minimizing burdens to the environment. To ensure that there are actually environmental benefits, a life cycle thinking approach is essential.

Kim, H.M.	2023	Among non-manufacturing FDI activities, the volume of real estate FDI, the second-largest industrial type, is noteworthy. While manufacturing was spread typically across regional provinces, such as Binh Duong, Dong Nai and Ba Ria–Vung Tau in the HCMCR, and Bac Ninh and Thai Nguyen in the HCR, most residential and commercial real estate investment has taken place in the core cities, i.e. HCMC and Hanoi.
Huy, D.T.N., et al.	2022	Big corporation stock prices (for example Vingroup in Vietnam) will be affected by variables such as lending rate and therefore, bank financial assistance.
Dumitrescu et al.	2023	Results showed a strong connection between the dynamics of the financial system and that of the real economy. In addition, the impact of financial factors on the economic cycle tends to be much stronger and more significant in the case of developing countries, compared to developed ones. In this regard, it was recommended that fiscal and monetary policies should be coordinated to generate the expected effect on the economy.

SOURCE: Author Synthesis.

Hence we choose this topic: **Economic Development Opportunities and Solution Analysis.**

3. Methods

3.1. Methodology

- **Qualitative research method:** We also use comparison and synthesis methods, combined with analytical and inductive methods, whereas we take advantage of historical (combined with) dialectical materialism methods for our qualitative analysis.

- **Quantitative research methods:**

Authors use scientific results as references.

3.2. Main findings and discussion

Overview of the domestic research situation

First of all, Some domestic studies such as that of the author group Phan Thi Bich Nguyet and Pham Duong Phuong Thao have a research article on "The relationship between the stock market and the real estate market: The case in Ho Chi Minh City" published in the Journal of Economic Development 27th year (5) May 2016, pages 45-62. The research was carried out by testing the correlation between the stock market (stock market) and the real estate market (real estate market) in Vietnam through a typical case in Ho Chi Minh City in the period from quarter 1/2009 to quarter 3/ 2014. Expert opinion surveys show that macroeconomic factors include: GDP, interest rates, inflation, fiscal policy, monetary policy, legal regulations related to the stock market, international capital flows, the currency market has an impact on the stock market and the real estate market, and these two markets themselves also have a two-way impact on each other. In particular, control policies for foreign investors are the factor that has

the strongest impact on the movement of capital between the two markets. In addition, when analyzing using the TECM model on data on the real estate price index in the market, Ho Chi Minh City and VN-Index, the author found that these two markets show a two-way relationship, a positive correlation in the long term.

3.3. SWOT analysis

Table 2. SWOT analysis

<p>Strengths</p> <ul style="list-style-type: none"> - the domestic economy intend to keep stable (positive) GDP growth and the central bank tries to manage or control inflation well. 	<p>Weaknesses</p> <ul style="list-style-type: none"> - in the past years, banks and investors have experienced losses from real estate bubbles and it takes place during the economic recession. - unreal projects and bubbles taking place, cheating customers. - there are global impacts from the US-China commercial war, Covid-19 and Russia-Ukraine war.
<p>Opportunities</p> <ul style="list-style-type: none"> - M&A opportunities in RE market still rise. - coming from policy innovation efforts from the government (local). - positive economic growth (average 5.2% last 3 years). - develop new economic models on cycle economy, green economy, sharing economy, digital economy, chip industries, robotics, etc. 	<p>Threats</p> <ul style="list-style-type: none"> - low productivity, still lack of highly qualified laborers. - competition pressure from domestic and foreign firms. - credit (bad) potential. - the capital source need from financial institutions still need (lack of further financial assistance). - the impacts from global economic recession might be the extent (not only one impact, but combined global impacts).

SOURCE: Author Analysis.

3.4. Quantitative results

Next, we comment on the statistical data of the variables as follows:

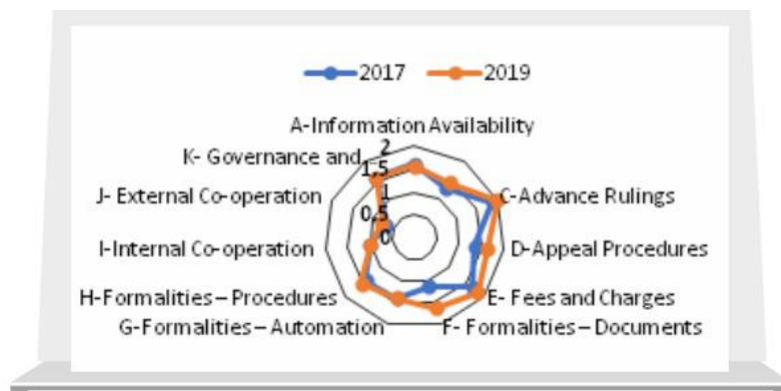


Figure 1. Vietnam trade facilitation indicators based on TFA (Source: Le Thi Viet Nga et al., 2021)

Although specialized inspection has been reformed and highly appreciated by the business community, there are still some shortcomings.

3.5. Ho Chi Minh ideology on economic development

From a very early age, President Ho Chi Minh was interested in the relationship between the constituent elements of the national economy. He had opinions on the structure of most levels, branches, and economic fields: from the economic structure of the whole country to the economic structure of each industry, regional structure (plains, midlands, mountainous and coastal areas), central economic structure and local economy, the domestic economy and economic cooperation with foreign countries - that is, the relationship between export and import, between self-reliance and enlisting aid. Support cooperation with foreign countries.

He also pointed out that because the starting point for our advancement is agriculture, we must initially take agriculture as the main focus, that is, follow the agro-industrial structure. But agriculture can only develop strongly and have abundant products when we use machinery for production widely. If we want to have many machines, we must expand industries that make machines and cast iron, steel, coal, oil... socialist industrialization is still the common goal of striving, the true path to prosperity for our people" (source: Ho Chi Minh Complete Works, Volume 12).

Not only agriculture and industry, President Ho Chi Minh also attached great importance to the role of goods circulation and trade in promoting production development, viewing it as a fundamental part of the transport structure and economic dynamics. He said: "We must clearly understand that there are three important aspects of the national economy: agriculture, industry, and commerce. The three aspects of work are closely related to each other... If the commercial aspect is broken, there is no connection. If we cannot connect agriculture with industry, if we cannot strengthen the industrial-agricultural alliance, if trade does not run, agricultural and industrial activities will be fragmented".

President Ho Chi Minh's economic ideology on the structure of national economic sectors during the transition period demonstrates a consistent viewpoint: Focusing on agricultural development in a dialectical relationship with development. industry through expanding production and circulation of goods, paying close attention to food production and harmonizing it with food production, consumer goods and export production to take advantage of domestic comparative advantage and taking advantage of foreign factors to promote the country's economic development. For the local economy, we also focus on the strengths of each locality and each region to develop to ensure efficiency principles.

Next, perspectives on forms of ownership, components and structures of economic sectors of the economy.

Ho Chi Minh's economic ideology on forms of ownership and the multi-sector economy is most clearly expressed in two works, "Political Common Sense" (1953) and "Report on the Draft Revised Constitution" changed at the 11th session of the First National Assembly of the Democratic Republic of Vietnam" (1959). Accordingly, Ho Chi Minh recognized and pointed out different economic types and forms of ownership, but were consolidated into a transitional socio-economic whole in the process of movement. In particular, when the existence of different economic sectors is still an objective necessity and has a certain role in the development of the economy, it is

necessary to continue to use and develop them accordingly. He believes that, on the path to socialism in Vietnam, a "new democratic regime" must be implemented. "In the new democracy, there are five different types of economies" (source: Ho Chi Minh Complete Works, volume 8).

Ho Chi Minh also had an objective viewpoint on the domestic private capitalist economy because he saw the unique characteristics of the Vietnamese bourgeoisie. That is, "our bourgeoisie tends to be anti-imperialist and patriotic", so, "if we convince well and lead well, they can follow socialism". Besides, he is also very interested in the business, economic development, and investment of foreigners in Vietnam: "You, traders, businessmen, small traders, small owners, workers and intellectuals, You have lived together with the Vietnamese people. Your legitimate economic and cultural activities are also beneficial to Vietnam. You can rest assured and do business as usual. The people and the Government of Vietnam will help and protect you" (source: Ho Chi Minh Complete Works, Volume 9).

Recognizing the objective, long-term existence of non-socialist economic sectors is a wise application of Ho Chi Minh's Marxist views in building socialism in the transition period. On the other hand, Ho Chi Minh's policy of building and developing a multi-sectoral economy has mobilized the strength of the entire nation with the alliance of workers and intellectuals as its base to move forward together into the new era of the nation – construction, build socialism, fulfill the nation's aspirations: National independence and freedom and happiness for the entire people (source: kinhtetrungong.vn).

Moreover, we will discuss laws and regulations in the case of Vietnam:

According to THE LAW of COMMERCE 2005

Section 2. Basic Principles in Commercial Activities

Article 10. Principle of equality before the law of traders in commercial activities

Traders of all economic sectors are equal before the law in commercial activities.

Article 11. Principle of freedom and voluntary agreement in commercial activities

1. The parties have the right to freely agree not contrary to the provisions of law, fine customs and social ethics to establish the rights and obligations of the parties in commercial activities. The State protects those rights.

2. In commercial activities, the parties are completely voluntary, no party is allowed to impose, coerce, threaten or prevent the other party.

Article 12. Principles for applying habits in commercial activities are established between the parties

Unless otherwise agreed, the parties are considered to implicitly apply habits in commercial activities that have been established between those parties that the parties know or should know but are not contrary to the provisions of law.

Article 13. Principles of application of customs in commercial activities

In cases where the law has no provisions, the parties do not have an agreement and there are no established habits between the parties, commercial practices shall apply but must not be contrary to the principles stipulated in this Law and the Ministry.

Article 14. Principles of protecting legitimate interests of consumers

1. Traders conducting commercial activities have the obligation to fully and truthfully inform consumers about the goods and services they trade and must be responsible for the accuracy of that information.
2. Traders conducting commercial activities must be responsible for the quality and legality of the goods and services they trade.

Article 15. Principles of recognizing the legal value of data messages in commercial activities

In commercial activities, data messages that meet the conditions and technical standards prescribed by law are recognized as having the same legal value as documents.

4. Conclusion

Entering the construction of socialism, production becomes the most important political task, so everything serves production. At the same time, he also believed that each person needs to clearly realize: "Labor is a sacred duty of every citizen to the Fatherland. Everyone must, depending on their ability, voluntarily participate in labor and contribute to the Fatherland, part of building the country" (source: Ho Chi Minh Complete Works, Volume 10). According to Ho Chi Minh, contributing to the development of production must become a measure of each person's morality and revolutionary will, and he requested to "resolutely fight against the disease of empty talk, the habit of showing off formalities, and improper ways of working aimed at improving production" (source: Ho Chi Minh Complete Works, Volume 13). Along with that, President Ho Chi Minh had the view to enhance the collective spirit and fight against individualism. However, he said: "If those personal interests do not contradict the interests of the collective, then must be bad. The common interests of the collective must be guaranteed by the individual's own interests to be satisfied". Besides, the government needs to improve the legal system and manage data on the Real estate market better. Furthermore, it needs to monitor activities and improve connections among capital markets. And it is necessary to research and promulgate regulations on safe lending policies to limit risks. This needs proper lending policy or vital roles of banks (TD Thang, DTN Huy, PA Dung, LN Nuong, DTN Hien, 2024).

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Consent for publication

The authors declare that they consented to the publication of this study.

Authors' contributions

All the authors took part in literature review, analysis and manuscript writing equally.

Availability of data and material

All data pertaining to the research is kept in good custody by the authors.

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