

DEVELOP THE PRIVATE ECONOMY IN THE SPIRIT OF RESOLUTION XIII OF THE COMMUNIST PARTY OF VIETNAM IN THE CURRENT PERIOD

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ABSTRACT

During the renovation period, the private sector has become stronger, making an important contribution to the national budget and creating many job opportunities for society. The private economy has also succeeded in exploiting the potential and specific advantages of each region and locality, plays an important role in the national economy. In the context of the Covid-19 pandemic, many private businesses have cooperated closely with government agencies and various ministries and branches to effectively deal with the pandemic. After the pandemic is under control and the economy reopens, the private economy is facing many opportunities to recover and grow stronger. However, many difficulties and challenges remain. The most important thing is to recognize and understand the opportunities and challenges that the private economy is facing in the current situation. This is a fundamental step to deploy comprehensive solutions, helping the private economy develop quickly and sustainably in the future.

Keyword: Private economy, private sector, resolution XIII

1. Introduction

The private economy is a part of the socialist-oriented market economy. The private economy in our country is increasingly contributing to the cause of national construction and development. Implementing the Party's orientation, in order for the private economy to truly be an important driving force of the economy, it is necessary to continue to innovate cognitive thinking and create a favorable environment for the private economy to develop strongly. next time.

2. Overview of research

- *Strengthening business linkages to develop Vietnam's private economy*, (Dao Thi Thu Giang), 2020. The topic has researched theoretical issues on business linkages, especially new issues in business links between enterprises and business households to develop the private economy in the new context. Overview of practical experiences in developing business linkages to develop the private economy in some developed countries and drawing lessons for Vietnam; Assess the current status of business links between businesses in Vietnam and their impact on the development of Vietnam's private economy. Proposing viewpoints and policy solutions to strengthen business links to develop the private economy in the new context.

- *Some recommended solutions for private economic development in the period 2021-2030*, (Trinh Duc Chieu), 2019. The topic has overviewed and clarified theoretical issues about the role of the private economy in the economy. International; Research international experience and draw some lessons on determining the role and development orientation of the private economy; Assess the current situation of the private economy in Vietnam; Proposing orientations and goals for private economic development in the period 2021-2030 and some main policy solutions to develop the private economy in the new context of socio-economic development.

- *Summarizing the practice of private economic development in Vietnam during 30 years of innovation (1986-2016) and proposing solutions for the period 2017-2030*, (Le Quoc Ly), 2019. The topic has overviewed the research Domestic and international research on the private economy and the views of Marxism-Leninism, Ho Chi Minh's ideology, and the Communist Party of Vietnam on private economic development. Overview of the private economic development process in Vietnam from 1986 to present and the contribution of the private economy to socio-economic development. Private economy in the development of economic sectors and economic restructuring. Assessing the competitiveness of the private economy. Current status of private economic development policy. Proposing solutions for private economic development in Vietnam.

- *Some theoretical and practical issues on private economic development in Vietnam* (Nguyen Van Thanh, Tran Kim Chung), 2023. The article analyzed the process of innovation in theoretical thinking and institutions, mechanisms and policies for private economic development from the 6th Party Congress to the present. Point out the current situation and some lessons on private economic development in the new context

3. Research overview

The article uses a system of methods: Theoretical research, interdisciplinary research, history - logic; abstract – concrete

4. Research findings

4.1. Viewpoints of the Communist Party of Vietnam on private economic development

The innovation of economic thinking at the 6th Party Congress comes from the country's reality, based on applying the views of V.I. Lenin, "considering a multi-sectoral economy a characteristic of the transition period", officially recognized the private economy as an important component in investment and socio-economic development. Association in Vietnam, creating a political basis for the Party's next breakthroughs in awareness of the position and role of the private economy.

Summarizing the development and contribution of the private economy to the country's socio-economic development over more than 15 years of innovation, the 5th Plenum of the 9th Central Committee issued Resolution No. 14-NQ/TW, dated December 18. -March 2002, "On continuing to innovate mechanisms and policies, encourage and create conditions for private economic development" with many important solutions to encourage private economic development and private investment.

The 10th Party Congress officially affirmed that the private economy is one of the driving forces of the economy. The Party Central Committee (term X) issued Regulation No. 15-QD/TW, dated August 28, 2006, "On party members working in the private economy". The Politburo issued Resolution No. 09-NQ/TW, dated December 9, 2011, "On building and promoting the role of Vietnamese businessmen in the period of accelerating industrialization, modernization and international integration".

The 11th Party Congress advocates perfecting mechanisms and policies to innovate growth models, restructure the economy, improve the investment and business environment, apply diverse forms of investment attraction, attractive to mobilize and effectively use all resources of economic sectors, promote the formation of private economic groups, and encourage private individuals to contribute capital to state-owned economic groups. At the 12th Congress, our Party affirmed that the market plays a key role in mobilizing and effectively allocating development resources, and is the main driving force to liberate production, thereby setting the task continue to develop synchronously and operate all types of markets smoothly, while evaluating the private economy as an important driving force of the economy. The 5th Plenum of the 12th Central Committee issued Resolution No. 10-NQ/TW, dated June 3, 2017, "On developing the private economy to become an important driving force of a socially oriented market economy." "ism", with specific goals and 5 groups of solutions to encourage and support the development of the private economic sector.

At the 13th Congress, our Party continued to affirm: "The private economy is encouraged to develop in all industries and fields that are not prohibited by law, and is supported to develop into companies and economic groups." Strong private sector, highly competitive. Encourage private enterprises to cooperate and associate with state-owned enterprises, cooperatives, and household economies; develop joint stock companies with widespread participation of social actors, especially workers" (3). Improve institutions and promote public-private cooperation to mobilize social resources to develop infrastructure and provide public services. "Strive by 2030, to have at least 2 million businesses with the private economic sector's contribution to GDP reaching 60 - 65%"; Average total social investment reaches 33 - 35% of GDP.

From 2010 to 2022, the development of the Party's theoretical thinking has created the basis for building and perfecting institutions, mechanisms, and policies for private economic development in Vietnam. According to Article 51 of the 2013 Constitution, Vietnam's socialist-oriented market economy has many forms of ownership and many economic sectors; State economy plays a key role; All economic sectors are important components of the national economy, equal, cooperative and competitive according to the law. The State encourages and creates conditions for entrepreneurs, businesses and other individuals and organizations to invest, produce and do business; Legal assets of individuals and organizations investing, producing and doing business are protected by law and are not nationalized.

General Secretary Nguyen Phu Trong in the work "Some theoretical and practical issues about socialism and the path to socialism in Vietnam" emphasized: "In a socially oriented market economy, Socialism has many forms of ownership and many economic sectors. Economic sectors operating according to the law are all important components of the economy, with equality before the law and long-term development, cooperation and healthy competition. In which, the state economy plays the leading role; The collective economy and cooperative economy are constantly being consolidated and developed; The private economy is an important driving force of the

economy; Foreign-invested economies are encouraged to develop in accordance with socio-economic development strategies and planning.”¹

4.2. The role of the private economy

First, the Private Economic Sector plays an important role in promoting the country's development potential. First, the development of this economic sector has strengthened internal resources, making an important contribution to the national economic development process. This not only benefits private businesses but also creates new opportunities for diversification in economic ownership relationships. Diversified ownership relations in the economy have been in sync with changes in management and distribution. This has created a flexible environment, suitable for uneven development between regions and industries nationwide. This process not only promotes flexibility in production but also adapts to uneven development levels between regions and industries.

Second, the private economic sector has contributed significantly to promoting growth and changing the structure of the national economy. The region plays an important role in addressing a variety of challenges including economic growth, job creation, poverty reduction, service delivery, ensuring food security, mitigating climate change, Protect the environment and contribute to tax sources.

Third, the private economy plays an important role in attracting a large number of labor sources and training new personnel for the labor market. According to information from the World Bank, in most countries, the private economic sector accounts for the majority of national income and creates more than 90% of employment opportunities, especially in developing countries.

Fourth, the private economic sector plays an important role in promoting the country's participation in the global economy. The development of the private economy has created many different economic models, with diverse participation of economic entities. This has created a flexible and dynamic economic system. This is important for implementing joint venture programs, production linkages, and value chain building, helping to promote the formation and development of supporting industries for economic corporations from other countries.

4.3. Current status of private economic development in Vietnam



First, the private economy grows in both quantity and scale

- *Regarding labor scale:* In 2020, the proportion of non-state enterprises with less than 10 employees accounted for 77.8% of the total number of operating enterprises, a significant growth compared to 61.5% in 2010. In contrast, the foreign-invested enterprise sector only accounts for 1.2%, while state-owned enterprises only account for 0.02%. Non-state enterprises with a scale of 10 to 199 employees decreased to 17.9%, a sharp decrease compared to the rate of 33.2% in 2010. In particular, non-state enterprises with a scale of over 200 employees There is no improvement, even lower than in 2010. The number of non-state enterprises with a scale of 200 to 299 employees accounts for 0.3% (down from 0.6% in 2010), while the The number of over 300 employees accounts for only 0.4%, down from 0.8% in 2010.

-*Regarding capital scale:* In 2020, 18.5% of the total number of non-state private enterprises with business capital of less than 1 billion VND out of the total number of operating enterprises with production and business results, increased from 13. 2% in 2010. At the same time, 51.9% of these have capital size from 1 to less than 10 billion VND, down from 60.2% in 2010. Meanwhile, the proportion of State-owned enterprises countries with capital sizes of 0.002% and 0.02%, respectively, and in the FDI enterprise sector, 0.3% and 0.8%. Only 7% of private sector enterprises have business capital of 50 billion VND or more, an increase from 4.5% in 2010. Overall, it can be seen that private sector enterprises mainly small and super small scale.

¹ Nguyen Phu Trong: Some theoretical and practical issues about socialism and the path to socialism in Vietnam, Publishing House. National politics Truth, Hanoi, 2022, p. 26

The private economy in Vietnam has developed strongly, covering many different industries, fields and all areas across the country. A number of large-scale private enterprises appear, especially in the list of 100 largest corporations and companies in Vietnam in 2022, with up to 44 private enterprises. In the TOP 10, there is the presence of prominent representatives such as Hoa Phat Group, Vingroup Group and Mobile World Investment Joint Stock Company. These businesses not only appear in the TOP 10 but also remain in the TOP 10. maintained its ranking on this list for many years. It is worth noting that private enterprises are increasingly occupying an important, even overwhelming, position in the list of businesses with a capitalization of billions of dollars on the Vietnamese stock market. On June 30, 2021, the Ho Chi Minh City Stock Exchange (HoSE) recorded a breakthrough when there were 4 businesses reaching a capitalization of over 10 billion USD. Among these, there are 3 businesses from the private economic sector, which are Vingroup Corporation, Vinhomes Company and Hoa Phat Group. This demonstrates the strong influence and positive contribution of private enterprises in the development and shaping of the economic market in Vietnam.

Second, non-state enterprises attract the majority of society's investment capital.

Investment capital for development mainly focuses on non-state-owned enterprises and tends to increase, from VND 16,095.40 trillion, accounting for 52.46% in 2017, to VND 24,204 billion. 60 trillion VND, accounting for 58.93% in 2019. In the context of the 2021 pandemic, despite complicated developments, investment capital from non-state enterprises still reached 28,150.20 billion VND, accounting for 58 billion VND. 12% of the country's total economic development investment capital.²

Third, non-state enterprises play a central role in creating jobs for society.

In 2017, the private economic sector contributed 45.3 million jobs, of which 8.8 million jobs were in the formal sector, accounting for 60.67%. As of 2019, the number of jobs from this sector has increased to more than 9 million, accounting for 58.54% of the total number of active workers in the economy. Despite facing a complicated epidemic situation, in 2021, the private economic sector still contributed 46.57 million jobs. Of these, the formal sector contributed 8.29 million jobs, while the informal sector contributed 38.28 million jobs. This proves that the development of the private economy plays an important role in creating jobs, reducing poverty, increasing income and contributing to social stability.³

The private economy in the current period has many favorable conditions and opportunities for development. Specifically:

Firstly, after 37 years of reform, looking back on this process, we can clearly see a significant transformation in the thinking and awareness of people of all walks of life in Vietnam. Previously, their psychology was often passive, relying on the State and the collective. However, nowadays, people have shifted to a proactive and positive awareness of socio-economic development. Important changes in thinking and awareness have created conditions for the development of the economy. private sector in Vietnam. Previously, there were only individual business households, but now, our country has witnessed the emergence and development of large economic corporations. This is not only an important step in terms of quantity, but also in terms of quality. The private economy used to operate mainly in the informal sector, but currently, there has been a strong transition to operating in the formal sector of the economy. Their business scope has expanded throughout industries that are not prohibited by law. This not only promotes diversity in the economy but also makes an important contribution to the country's prosperity and sustainable development.

Second, Economic Law has created a common, uniform legal basis for all types of businesses, to ensure legal fairness in the business field, without distinction between businesses belonging to different categories. different economic sectors. This also includes the balance between domestic enterprises and foreign-invested enterprises. To achieve this goal, administrative procedures as well as unreasonable and obstructive business conditions have been checked, reviewed and eliminated to create more favorable conditions for business activities.

Third, advances in modern science and technology have laid the foundation for the solid development of the economy in general, especially the private economic sector, by expanding access to innovations. in the field of advanced science and technology. The important role of the internet, internet of things (IoT), and large-scale data storage (Big Data) cannot be denied in the process of modernizing economic development. The positive effects of the Fourth Industrial Revolution and the process of global economic integration have supported the private economic sector to expand its scope of operations. At the same time, these advances have also helped optimize resource use, saving time and human resources in business activities. This has created a business environment that is efficient and can flexibly adapt to new challenges, while promoting innovation and creativity in growing economic sectors.

^{2 3}General Statistics Office 2021

Fourth, in recent times, success in controlling and repelling the Covid-19 epidemic has helped Vietnam score points as a reliable address for foreign investors. Our country has become a potential and safe destination, favorable for the reallocation of investment capital flows globally. At the same time, the impact of the pandemic has also created significant changes in demand for products and services. Achievements in disease control have opened up new opportunities for Vietnamese businesses, helping them enter markets beyond the scope of traditional markets. This creates a favorable environment for innovation and growth, making it possible for businesses to leverage challenges into new opportunities. This not only promotes diversification in the economic sector, but also strengthens Vietnam's position in the international economic community.

Besides the advantages, there are also many difficulties such as:

Firstly, the legal environment for the private economic sector is not complete, many regulations are incomplete, unclear, inconsistent and overlapping. In recent years, the business environment in our country has improved a lot, but it still does not really create favorable conditions for the private economic sector to develop to its potential.

Second, private sector enterprises are still treated unfairly. Some regulatory policies only mention state-owned enterprises and do not mention private sector enterprises. Many businesses have to pay "unofficial" costs to handle work... These shortcomings make the already small private economic sector less developed. Therefore, in order for the private economy to have conditions to develop, it is necessary to focus on solving the issue of true equality between business entities and between enterprises.

Third, the industrial production capacity of the private economic sector is actually weak and is only in the early stages of development. The majority of industrial production of enterprises is assembly and processing, mainly using imported machinery, equipment and raw materials. Production stages that bring high added value, such as design, styling, marketing... are all carried out by foreign partners.

Fourth, most private sector enterprises still operate in the domestic market, with only a few large enterprises reaching foreign markets to a modest extent. Even in the domestic market, under fierce competitive pressure, large enterprises have also begun to tend to withdraw from industrial production, ceding the playing field to foreign enterprises. This withdrawal also occurs in some service sectors such as distribution and retail that are prioritized and have a lot of potential in the economy.

5.SOLUTION

Raise awareness about the private economy and the important role of private economic development

Create a clear and transparent legal environment to attract business investment, ensuring the private economy can compete healthily and fairly according to market mechanisms

Promote administrative reform, increase operational efficiency of state agencies, departments, branches and branches in the direction of creating favorable conditions for the private economy to develop

Study, research and develop support programs to promote private economic development

Enhance the effectiveness and efficiency of supervision, inspection and examination

Firstly, unify and raise awareness of the private economy and the important role of private economic development. This is particularly important because determining the importance of the private economy will help clearly orient development support policies and improve business efficiency and productivity of private enterprises.

Second, create a clear and transparent legal environment to attract business investment, ensuring the private economy can compete healthily and equally according to market mechanisms. Encourage the establishment of

private enterprises and development of production and business in all industries and fields that are not prohibited by law.

Third, promote administrative reform, enhance operational efficiency of state agencies, departments, branches and branches in the direction of creating favorable conditions for the private economy to develop. Simplify and eliminate unnecessary administrative procedures, creating convenience and minimizing time and costs for businesses and people. Promote the public service responsibilities of officials and civil servants in administrative agencies in receiving, processing, and reflecting recommendations from individuals and organizations on administrative regulations.

Fourth, study, research and develop support programs to promote private economic development such as prioritizing support for the private economy in accessing credit capital, taxes, production and business premises, train high-quality human resources, participate in international economic integration... Support private enterprises to apply and transfer advanced technology to increase production value and contribute to improving competitiveness painting. Prioritize support for start-up businesses, especially innovative start-ups of students and young people. On the other hand, it is necessary to enhance the role of socio-political, socio-professional organizations in the private economy, especially in combating smuggling and fraud in trade and business.

Fifth, enhance the effectiveness and efficiency of supervision, inspection, examination, and accountability of ministries, branches, and local governments at all levels in conjunction with the implementation of the Party's guidelines and policies. State laws on private economic development; promptly detect and strictly handle violations of the law, ensuring that they do not affect production and business activities or create a psychological burden for people and businesses.

6. REFERENCES

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