

# **HO CHI MINH'S IDEOLOGY REGARDING ECONOMIC STRUCTURE AND THE PARTY'S DIRECTIVE ON ECONOMIC RESTRUCTURING DURING THE PROCESS OF INDUSTRIALIZATION AND MODERNIZATION IN VIETNAM**

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## **ABSTRACT:**

Emerging from an agrarian and underdeveloped nation, marred by the ravages of war, Vietnam's path of socialist ascent circumvents the capitalist developmental stage. The selection of an appropriate economic structure for the initial phase of the Transitional period has a pivotal and deterministic meaning. To accomplish the aspiration of making Vietnam a *harmonious, unified, independent, democratic, and prosperous nation*, against the backdrop of the nation's deepening Renovation (Doi Moi) endeavors and the robust currents of international integration, the meticulous examination of Ho Chi Minh's directives concerning the economic structure during the socialist transition clarifies the adept application and innovative cultivation of his precepts by the Communist Party of Vietnam in the present context of economic restructuring.

*Keywords:* Ho Chi Minh, economic restructuring, industrialization, modernization

## **INTRODUCTION**

Ho Chi Minh's ideologies on socialism and the path to socialism in Vietnam has a profound scientific and practical meaning. Despite dedicating a considerable portion of his lifetime to the struggle for national liberation and the reunification of the Homeland, Ho Chi Minh also displayed profound concern for the country's developmental path, including critical aspects of economic restructuring during the Transitional period towards socialism in Vietnam.

Under the illumination of the Renovation (Doi Moi) campaign, Ho Chi Minh's accurate perspectives are progressively gaining enhanced perceptibility. It is a consistent task throughout the socialist revolutionary endeavor to grasp, creatively apply, and progressively develop Ho Chi Minh's ideologies, while safeguarding the present Homeland. This article aims solely to contribute to clarifying the practical application of Ho Chi Minh's ideologies regarding economic structure during the Transitional period towards socialism in Vietnam, within the practical context of the Communist Party of Vietnam's leadership in the economic structural transformation

## **RESEARCH METHODOLOGY**

This article primarily employs a historical method, supplemented by other approaches such as analysis, comparison, and synthesis, to clarify Ho Chi Minh's ideologies concerning economic structure. Additionally, these methods are applied to

illuminate the process by which the Communist Party of Vietnam integrates Ho Chi Minh's ideologies into leadership practices during the implementation of economic structural transformation in the context of intensifying industrialization, modernization, and international integration.

## **RESEARCH RESULTS**

### **1. Ho Chi Minh's Economic structural perspectives during the Transitional Period**

Closely aligning with the reality of Vietnam, Ho Chi Minh explicitly outlines the methodology for constructing socialism that cannot be mechanically replicated like other nations. He postulates, "...in terms of building socialism, while we do possess abundant experiences from our fellow countries, we cannot apply these experiences mechanically, as our nation possesses its distinct characteristics" (Ho Chi Minh, 2011d, p. 97).

Ho Chi Minh was highly attentive to the forms, scale, and steps of renovating and constructing the national economy. According to him, "Advancing rapidly and forcefully does not mean recklessly rushing ahead. Progress must be *steady*, proceeding step by step. Firm grasp of the revolutionary *development laws*, meticulous consideration of *specific conditions and measures* are essential. *Plans* must be secure and balanced. One must not substitute personal subjectivity for practical conditions. *Vigilance against subjectivity, meticulous conduct* are imperative. It is necessary to foster *investigative and research-oriented* approaches in all tasks as well as in the formulation of Party and State policies" (Ho Chi Minh, 2011f, p. 71).

Emerging from an agrarian, underdeveloped nation with limited production capabilities and marred by war, the path to socialism in Vietnam circumvented the capitalist developmental trajectory. Selecting an appropriate economic structure for the initial phase of the Transitional period held fundamental and decisive significance. Within this framework, which sector and what foundation had the immediate focus? In April 1946, in a letter to the Vietnamese farmer class, Ho Chi Minh wrote, "Vietnam is an agriculture-based country. Our economy is rooted in agriculture. In the nation-building process, the Government relies on the farmers, placing a significant portion of reliance on agriculture. When our farmers prosper, so does our nation. When our agriculture thrives, so does our nation" (Ho Chi Minh, 2011b, p. 246). Other economic sectors must "center around serving agriculture" (Ho Chi Minh, 1976, p. 197). From this, Ho Chi Minh indicated that, "Agriculture must be renovated and developed in order to provide a basis for the development of other economic sectors..., to facilitate the industrialization of the country" (Ho Chi Minh, 2011f, p. 163), and "With industrial development, agriculture will also develop" (Ho Chi Minh, 2011f, p. 376). Furthermore, he emphasized that

agriculture, in order to serve its role as the foundation for industrial and other economic sector development, must inherently constitute a comprehensive agricultural foundation.

While emphasizing the significant role of agriculture in the initial stages of constructing and developing the socialist economy in the northern region, Ho Chi Minh also highlights the decisive position of industry in the entire economic system. He stated, "Industry must undergo robust development to provide sufficient essential consumer goods for the people, primarily for the farmers; ...only with industrial development can agriculture thrive. Therefore, industry and agriculture must mutually support and develop in tandem, like two strong and balanced legs, ensuring swift and efficient progress towards the objective" (Ho Chi Minh, 2011f, pp. 375-376).

Not only focusing on the development of industry and agriculture, Ho Chi Minh also showed concern for *trade development*. According to him, "...within the national economy, there are three crucial aspects: agriculture, industry, and trade. These three facets are intimately interconnected. Trade serves as the link between agriculture and industry. Trade delivers goods to the countryside to serve the farmers; it also transports agricultural products and raw materials to urban areas for consumption. If the trade link is severed, the connection between agriculture and industry weakens, and the synergy between them is compromised. If trade activities stagnate, agricultural and industrial operations will become disjointed" (Ho Chi Minh, 2011c, p. 355). Thus, although not using the terms "market economy," Ho Chi Minh's thinking on trade development demonstrates insights into commodity-based economics and market-oriented principles.

Regarding agricultural development, Ho Chi Minh pays attention to harnessing the economic advantages of each region. He notes, "Though the Northern Plains has fewer fields and a dense population, through intercropping and multiple cropping, one acre of land can yield two crops. Conversely, the southern region boasts vast expanses of fertile land, providing ample opportunities for cultivation. This constitutes a favorable *geographical advantage*" (Ho Chi Minh, 2011f, p. 375).

In relation to *the maritime domain*, Ho Chi Minh viewed the development of the maritime economy as playing a vital role. It not only improves and enhances the livelihoods of coastal inhabitants but also contributes to the protection of the sea. According to him, "The brethren of the coastal regions are the gatekeepers of the Homeland" (Ho Chi Minh, 2011c, p. 311). Hence, while addressing the Conference on Coastal Reform Officials, he asserted, "Coastal reform is as necessary as reform in the plains, for laborers in the coastal regions face hardships akin to those in the plains..." (Ho Chi Minh, 2011c, p. 311).

As progress was made in the transformation and development of the maritime economy, Ho Chi Minh issued a reminder, "To lead correctly, one must naturally adhere

to the general direction. However, the approach must adapt to specific circumstances, seasons, and local realities and *avoid mechanical approaches*. Attempting to apply the experiences of land reform in the plains to the coastal regions would be improper and erroneous" (Ho Chi Minh, 2011c, pp. 310-311). In Ho Chi Minh's view, the plains represent home, while the sea stands as the gateway, therefore, safeguarding the gateway is essential for preserving the home. Thus, "we must educate our brethren in coastal areas about protecting the coastline... If we neglect to safeguard the coastal regions, then fishing and salt production will be unrestful" (Ho Chi Minh, 2011c, p. 311).

Concerning the economic structure, Ho Chi Minh advocated for the development of a diversified economic system with various ownership forms during the entire Transitional period towards socialism. According to Ho Chi Minh, the development of the state sector is crucial to providing the material foundation for socialism and promoting the advancement of socialist reforms. Therefore, "...the state must ensure its priority development" (Ho Chi Minh, 2011e, p. 373). Through the practice of agricultural cooperation in the northern region, he emphasized, "...the agricultural cooperative movement in our country must involve the forms of team-based labor and agricultural production cooperatives, which is an absolute necessity" (Ho Chi Minh, 2011e, p. 373).

While highlighting the significance of agricultural cooperation as a primary factor driving the nation's reform and development, Ho Chi Minh was equally attentive to transforming other economic sectors towards socialism. In the context of artisans, small traders, and individual workers, he advocated for "the protection of their ownership rights over means of production, actively guiding and assisting them in improving their trade practices, and encouraging them to voluntarily form production cooperatives" (Ho Chi Minh, 2011e, p. 373).

For privately-owned capitalist and national bourgeoisie economic sector, Ho Chi Minh proposed a method of peaceful transformation: "Without negating their ownership rights over means of production and other possessions, we guide them to operate in a manner that benefits the national economy and the people's livelihoods, aligned with the State's economic plan" (Ho Chi Minh, 2011e, p. 373).

Regarding the direction of developing an open, integrated economy, from as early as 1924, when recognizing the limitations of Eastern nations, according to Ho Chi Minh: "... the primary reason for the decline of Eastern nations is isolation. Unlike Western nations, Eastern nations lack interactions and contacts between continents. They remain oblivious to occurrences in their nearest neighboring countries, thus lacking mutual trust, coordinated actions, and mutual encouragement" (Ho Chi Minh, 2011a, p. 284). The closed-off nature of Eastern countries, as Ho Chi Minh observed, weakened them not only in the cause of national liberation but also in socio-economic development.

Therefore, following the nation's independence to bolster the country's progress, he affirmed: "Vietnam should fully engage in international cooperation, and this is absolutely essential."

These empathetic and rational principles of Ho Chi Minh not only reflect humane values but also reinforce the strength of national unity, international solidarity, and the patriotic spirit of all classes and strata in the Democratic People's Revolution as well as in the socialist revolution.

As the process of Renovation (Doi Moi) deepens, the issues of economic restructuring and proactive international integration become increasingly crucial in the endeavor to advance industrialization and modernization. Ho Chi Minh's guidance truly serves as a guiding star, leading the entire nation toward achieving numerous successes in nation-building and safeguarding.

## **2. The Communist Party of Vietnam's Application of Ho Chi Minh's ideology in leading economic restructuring during the period of intensified industrialization, modernization, and international integration.**

### **2.1. Applying the Perspective of "*Agriculture as the foundation*," viewing "*Agricultural development as extremely important*," and ensuring strong links between agriculture, industry, and commerce in economic restructuring implementation.**

From the practical reality of Vietnam, particularly the severe economic difficulties faced during the years 1975-1986, the Party underwent a positive transformation in its economic development mindset, guided by Ho Chi Minh's viewpoint. Shifting from prioritizing heavy industrial development to emphasizing agricultural advancement, positioning agriculture as the forefront, led to a positive transformation for the nation's economy. Enacting Ho Chi Minh's directive that "agriculture's functionality is the foundation for the development of industry and other economic sectors, and in itself, it must be a comprehensive agricultural system". On June 15, 2000, the Government issued the Resolution 09/2000/NQ-CP on Several Guidelines and Policies on Economic Restructuring and Agricultural Product Consumption. In this resolution, the Government allowed for the conversion of crop structures, transition from low-yield lands into aquaculture or cultivation of fruits, industrial crops, and edible plants. This diversified crop approach aimed to increase income on a per unit area of agricultural land.

Following almost a decade of intensified industrialization and modernization (1997-2005), the structure of Vietnam's economy still harbored numerous intrinsic weaknesses. The scale of economic sectors remained small and scattered; industrial production largely comprised of assembly and processing format, which adds low domestic value. The majority of GDP-contributing and export-oriented products were agricultural, aquatic,

and mineral products, along with semi-processed industrial products and consumer services. There remained a scarcity of advanced, modern technology sectors, underdeveloped supporting industries, and imbalanced production chain stages. Foreign investment remained diffuse, dispersed, and lacking synchronization, resulting in increased costs and diminished efficiency in capital utilization. The utilization of resources such as land, natural resources, and labor remained wasteful.

With the comprehensive goal of accelerating the Renovation (Doi Moi) process, mobilizing and utilizing all resources for national industrialization and modernization, the 10th Party Congress (2006) stressed: "Seize the advantageous opportunities created by the international context and our country's potential and advantages to expedite the process of socialist-oriented industrialization and modernization, which is associated with intellectual economic development, considering intellectual economy as an essential factor for the economy, industrialization, and modernization. Strongly develop economic sectors and products with high added value, relying heavily on modern technology; combining the utilization of Vietnamese human capital with the latest global knowledge. Attach importance to both the quantity and quality of economic growth at every stage of the country's development, in each region, locality, and socio-economic project.

Construct a modern and rational economic structure by sector, industry, and territory; Reduce intermediary costs, enhance labor productivity across all sectors and fields, especially those with high competitiveness" (Communist Party of Vietnam, 2006, Proceedings of the 10th National Party Congress, National policy public Publishing House, Hanoi, pp. 87-88).

In order to bring about a significant transformation in agricultural production, rural economy, and the improvement of people's lives, the Party emphasizes the need to consistently prioritize and promote industrialization, modernization, and rural development, aiming to construct a large, diverse, rapidly and sustainably developing commodity agriculture, characterized by high productivity, quality, and competitiveness. This also involves gradually establishing a clean agricultural foundation.

At the Seventh Central Committee Meeting (10th Tenure) held on August 5, 2008, the Resolution No. 26-NQ/TW on Agriculture, Farmers, and Rural Areas was issued, with the objective of steering Vietnam's economic development towards rapid and sustainable progress. The Central Party Committee asserts, "Sustainable economic development must be maintained, macroeconomic stability upheld, and economic security ensured. The shift in economic structure and growth model must be strengthened, with priority placed on quality, productivity, efficiency, and competitiveness. Depth-focused development and the advancement of the intellectual economy are essential priorities" (Communist Party of Vietnam, 2011, pp. 98-99).

Within the integral relationship between agriculture, farmers, and rural areas, the Resolution emphasizes that farmers are the subject of the development process. It highlights the connection between building new rural areas with the establishment of industrial and service bases and urban development according to planning and emphasizes that comprehensive development and modernization of agriculture are key factors.

The Resolution places a significant assessment on the role of farmers as the key driving force and asserts that solving agricultural, farmer, and rural issues requires inciting the patriotic spirit, autonomy, self-reliance, and self-strengthening of farmers. The aim is to build a stable, harmonious, democratic rural society with a rich cultural life as the spiritual foundation of the farming class, thereby fueling the process of improving people's living standards for the development of agriculture and the construction of new rural areas.

Resolutely aiming to drive Vietnam's economy towards rapid development intertwined with sustainability, with the objective of *innovating the growth model and restructuring the economy; promoting industrialization, modernization, fast and sustainable development*, the 11th Party Congress is committed to revitalizing the growth model and restructuring the economy. This endeavor involves bolstering industrialization, modernization, rapid and sustainable development. The resolution of the 11th Congress prioritizes pivotal concerns such as innovating the growth model and restructuring the economy, enhancing the quality, efficiency, rapid and sustainable economic development. Further emphasis are put on the development of industry and the establishment of a modern orientation, which continues to be basis for an industrialized nation while elevating the economy's independence and self-determination. Comprehensive development of agriculture, forestry, and fisheries towards industrialization and modernization while addressing rural issues is also a key focal point. Additionally, the resolution highlights the development of various service sectors, particularly financial, banking, commercial, tourism, and high-value-added services. This direction places an emphasis on constructing and achieving breakthroughs in the economic infrastructure system to meet the nation's development needs. Furthermore, the resolution aims to foster balanced socioeconomic development among regions, urban areas, and rural communities.

A novel aspect in the Party's guidance regarding economic restructuring entails the requirement to restructure the economy with an emphasis on transitioning the growth model. *The transition involves moving from predominantly extensive development to a balanced development strategy that encompasses both breadth and depth*. This approach seeks to expand the scale while simultaneously prioritizing the enhancement of quality,

efficiency, and sustainability. The central element of implementing economic restructuring is the reshaping of production and service sectors to be contextually suitable for different regions. This also entails driving the realignment and adjustment of enterprise development strategies, swiftly elevating the value of domestic production, value addition, and competitiveness of products, businesses, and the overall economy (Communist Party of Vietnam, 2011, pp. 191-192).

Comprehensive development of agriculture is envisioned in a modern, efficient, and sustainable direction, harnessing the advantages of the tropical agricultural sector. Grounded in the accumulation of land resources, this approach propels mechanization and the application of contemporary technologies (notably biotechnology). It involves rearranging crop and livestock structures, fostering diversified economic models such as households, farms, cooperative partnerships, agricultural cooperatives, specialized areas, high-tech agricultural zones, and large-scale production complexes. The effective integration of "four pillars" (farmers, scientists, entrepreneurs, and the government) is strongly promoted to foster industrialization, small-scale industrial handicrafts, and services in rural areas. The development of farmers' associations and promotion organizations for agriculture, forestry, and fisheries is also encouraged, creating an environment conducive to practical and effective operations.

Aiming for rapid and sustainable development while realizing industrial restructuring, the 11th Party Congress directs *the establishment of an industrial foundation by strongly advancing fundamental sectors*. These sectors are characterized by comparative advantages and strategic significance for rapid, efficient, and sustainable development. This orientation intends to elevate the economy's independence and self-determination, enabling gradual and effective participation in global production and distribution networks.

Prioritizing the development of industry to serve agriculture and rural areas, with a special focus on the industrial production of equipment, machinery for land preparation, harvesting, preservation, processing of agricultural, forestry, and aquatic products, as well as export products. Additionally, producing fertilizers, animal feed, and veterinary products...

Strengthening the construction industry and fostering the rational development of labor-intensive industries contribute to a swift labor force restructuring. Properly arranging industries across regions and maximizing the efficiency of existing industrial clusters are key components of driving industrial development through cluster-based approaches, product groups, and the establishment of large-scale, highly effective industrial complexes. Moreover, enhancing the construction of high-tech industrial zones



and creating integrated coastal economic zones and border economic zones are also accentuated (Communist Party of Vietnam, 2011, pp. 193-194).

In order to develop an efficient and sustainable agricultural sector with an ecological orientation, advanced scientific and technological applications are essential. The resolution of the 5th Conference of the 13th Central Committee (June 16, 2022) on *Agriculture, farmers, and rural areas until 2030, with a vision to 2045*, underscores the imperative to restructure agriculture substantively and efficiently. This restructuring leverages the advantages of the tropical agricultural sector, the potential, and regional strengths. The resolution seeks to promote concentration of land resources, develop modern agriculture with focused commodity cultivation, large-scale operations, and safe food production. This is grounded in advanced scientific and technological applications, digital transformation, mechanization, and automation. Tight interlinkages between agriculture, industry, and services are encouraged, fostering preservation, processing, and consumption of agricultural products. The development of sustainable, organic, circular agriculture, One Commune One Product (OCOP) programs, and the reduction of greenhouse gas emissions are also encouraged (Communist Party of Vietnam, June 16, 2022).

Linking economic restructuring with on-site job creation for rural labor is a crucial requirement for sustainable development. Therefore, during the process of intensifying the transformation of the rural economic structure, it is vital to connect agricultural development with industrial and service sector growth. This entails comprehensive and coordinated rural economic development in conjunction with a rational agricultural, industrial, and service sector structure, based on scientific and technological advancements and innovative renovations. Investments are directed towards upgrading industrial and service infrastructure, establishing networks for circulation, preservation, processing, logistics, and e-commerce in rural areas.

Promoting the robust development of agricultural processing industries, manufacturing equipment, machinery, and materials for agriculture, as well as fostering industrial clusters and craft villages, creates a favorable business environment that attracts various economic entities to invest in agriculture and rural areas. This fosters the establishment of large-scale enterprises engaged in agricultural product production and business, leading to the creation of numerous on-site employment opportunities, thereby elevating rural labor incomes. Additionally, it optimizes the efficient utilization of all available resources for the nation's development (Communist Party of Vietnam, 2011, pp. 193-194).

**2.2. From Ho Chi Minh's perspective of "actively guiding private economic activities to benefit the national economy and people's livelihood" to the policy of developing the private economic sector into a significant driving force of the economy.**

With the spirit of "facing the truth, evaluating the truth correctly, and speaking out the truth," the 6th Party Congress (12-1986) criticized and pointed out that the "multi-component economic structure" had not been fully acknowledged (Communist Party of Vietnam, 2010, p. 21). Consequently, there was eagerness, subjectivity, and an arbitrary intention to swiftly "eliminate non-socialist elements, rapidly transforming private capitalist economy into a national economy" (Communist Party of Vietnam, 2010, p. 20). Building upon the foundation of recognizing that an "economy with a multi-component structure is a feature of the Transitional period" (Communist Party of Vietnam, 2010, p. 53), the 6th Party Congress affirmed: "Through appropriate measures, utilizing the potential of various economic components through close linkage and under the guidance of the socialist economic component" (Communist Party of Vietnam, 2010, p. 41).

Based on an increasingly comprehensive understanding of the significant role of the private economy, particularly from Ho Chi Minh's directives on the use of private economic forms: "not abolishing their ownership rights over means of production and other possessions; but actively guiding their activities for the benefit of the national economy and people's livelihood, in line with the State's economic plan" (Ho Chi Minh, Volume 12, 2011e, p. 373). From the 7th (1991) Party Congress to the 13th (2021) have all advocated for the development of the private economy, continuously improving efficiency and competitiveness, and generating more job opportunities. The private economy is considered an integral component of the national economy. "Developing the private economy is a long-term strategic issue in the development of the multi-component oriented socialist economy, making a significant contribution to the successful realization of the central tasks, including economic development, industrialization, modernization, and enhancing the nation's self-reliance in international economic integration" (Communist Party of Vietnam, 2002, pp. 57-58).

Against the backdrop of a fairly impressive and radiant socioeconomic landscape - the result of 20 years of Renovation (1986-2006), the 10th Party Congress (2006) marked a new breakthrough in the perception of the private economy: "The private economy plays an important role, being one of the driving forces of the economy" (Communist Party of Vietnam, 2006, p. 83). This marked the first official recognition of the private economy as an economic component, encouraged for development. Additionally, the congress approved party members engaging in private economic activities, aiming to unleash society's human potential and act as an impetus for the development of the private economy.

The 11th Party Congress (2011) continued to emphasize the need to improve mechanisms and policies to strongly develop the private economy. The 12th Party Congress (2016) highlighted the policy: "Perfect mechanisms and policies to facilitate favorable conditions for strong development of the private economy in most economic sectors and fields, becoming a significant driving force of the economy" (Communist Party of Vietnam, 2016, pp. 107-108).

On June 3rd, 2017, the Resolution of the 12th Central Committee's 5th Conference emphasized that "developing a healthy private economy under the market mechanism is an objective, necessary, and long-term requirement in the process of perfecting the socialist-oriented market economy in our country; it is an important policy to unleash production capabilities; to mobilize, allocate, and utilize development resources effectively" (Communist Party of Vietnam, June 3rd, 2017).

By the 13th Party Congress (2021), the Party continued to affirm the importance of the private economic component and the policy of developing the private economic sector to truly become a significant driving force of the economy. The Party resolutely advocated for "removing all barriers, prejudices, creating favorable conditions for the development of the private economy; supporting innovative renovation, technological modernization, and human resource development, enhancing labor productivity. Encouraging the formation and development of large private economic conglomerates, possessing strong potential and regional and international competitive capacity. Striving by 2030, to have at least 2 million businesses with the contribution of the private economic sector to GDP reaching 60% - 65%" (*Documents of the 13th National Party Congress*, National Political Publishing House - Truth, Hanoi, 2021, Vol. I, p. 240).

Due to the Party's resolute directives in guiding the development of the private economy and creating conditions for its robust growth, on average during the period 2010 - 2021, over 100 thousand businesses were established each year. Especially in the years 2018 - 2022, over 130 thousand new businesses were established annually (General Statistics Office, 2022, p. 72). Some diversified businesses with large scale make significant contributions to Vietnam's economy<sup>1</sup>. Additionally, some private enterprises investing abroad have achieved many successes and built strong brand names<sup>2</sup>. The growing and strong entrepreneurial community in the private economic sector exhibits increasing business spirit, innovation, and aspirations for advancement, along with a spreading sense of social responsibility, ethics, and culture.

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<sup>1</sup> Vinamilk, FPT Group, Vingroup Group, Hoa Phat Group, Truong Hai Group, Masan Group, Hoang Anh Gia Lai Group

<sup>2</sup> Golf Long Thanh Group, Hoang Anh Gia Lai Group, Truong Hai Group, Vingroup Group, Viet Phuong Group, CAVICO Mining Company, Sakai Mining Company

Furthermore, the development of the private economy still encounters several following limitations:

*Firstly, the awareness of the political system* towards the private economy, although changing, still exhibits discriminatory treatment. Legal frameworks, mechanisms, and policies still contain numerous shortcomings, overlaps, and lack of consistency, failing to genuinely facilitate the business operations of economic entities, especially those in the private sector.

*Secondly, state management still possesses many deficiencies*, particularly in the implementation of regulations and policies with low effectiveness. There remain limited mechanisms and policies encouraging innovation and creativity among private sector enterprises to create competitive products in the international market. Administrative reforms have not yet achieved the targeted "3 reductions" (reduction in time, cost, and paperwork). Procedures are still convoluted, redundant, and overlapping across various stages.

*Thirdly, the development of the private economy still faces numerous challenges.* The number of private sector economic establishments is rapidly increasing, particularly newly established enterprises; however, the proportion of enterprises ceasing business operations, dissolving, or going bankrupt remains notably high. The quality and efficiency of operations within this sector have been slowly improving, with a majority of enterprises operating in the commerce and service sectors. Most economic entities in the private economic sector fall within the small and medium-sized scale range; the overall social labor productivity is not high<sup>1</sup>.

### **2.3. From the viewpoint "Coastal compatriots are the guards of the Homeland" by Ho Chi Minh to implementing the concentrated approach to developing the maritime economy.**

In the realization of Ho Chi Minh's perspective on the significant role in maritime economic development, encapsulated in the phrase "*Coastal compatriots are guards of the Homeland*" (Ho Chi Minh, 2011c, p. 311), during the years of Renovation, the Party and the State consistently pursued pivotal directives, policies, and measures to safeguard, manage, and exploit the sea. As early as May 6, 1993, the Resolution 03-NQ/TW of the Political bureau asserted the necessity to vigorously develop the maritime economy hand in hand with enhancing the capacity to protect sovereignty and national interests; safeguarding marine resources and ecological environment; and striving to become a maritime powerhouse by the year 2020.

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<sup>1</sup> In 2017, reaching only 46,5 million VND per person, whereas the state economy achieved 311 million VND per person and the FDI economy reached 233 million VND per person.

Continuing to further harness the potentials of the sea in the 21st century, the Fourth Central Committee Conference (10th tenure) passed the Resolution No. 09-NQ/TW (February 9, 2007) on *Vietnam's Maritime Strategy to 2020*, with the following objectives: *Firstly*, Vietnam must become a maritime powerhouse, deriving wealth from the sea based on the maximization of all maritime potentials, achieving comprehensive development of maritime sectors and industries with a diversified and modern structure, generating rapid, sustainable, and highly effective development with a long-term vision; *Secondly*, closely integrating socioeconomic development with ensuring national defense and security, international cooperation, and environmental protection, combining the development of coastal, and island areas with the inland development towards industrialization and modernization; *Thirdly*, utilizing all resources to foster socioeconomic development, safeguarding the marine environment proactively and with an open attitude, fully and effectively utilizing domestic resources, seizing opportunities for international cooperation, and vigorously attracting external resources under the principles of equality and mutual benefit, firmly safeguarding the nation's independence, sovereignty, and territorial integrity (Communist Party of Vietnam, February 9, 2007).

To effectively implement the *Vietnam's Maritime Strategy to 2020*, the Resolution of the 11th National Party Congress (2011) emphasized the solution of "Developing a rational system of coastal ports, industrial zones, economic zones, and coastal urban areas linked to the development of shipbuilding and repair industry, offshore oil exploitation, petroleum processing, maritime transportation, and coastal tourism. Strongly developing island economies, offshore fishing coupled with search and rescue operations, safeguarding national sovereignty over maritime regions. Enhancing fundamental research into some crucial marine resources" (Communist Party of Vietnam, 2011, pp. 202-203).

On October 22, 2018, the 12th Central Committee of the Communist Party of Vietnam issued the Resolution No. 36-NQ/TW on the *Sustainable Development Strategy of Vietnam's Maritime Economy by 2030, with a vision towards 2045*. In this resolution, three breakthrough areas were identified: (1) Enhancing the sustainable development institutional framework of the maritime economy, prioritizing the improvement of legal corridors, innovation, the development of green growth models, environmental protection, raising productivity, quality, international competitiveness of maritime economic sectors, coastal regions, and areas. Improving the comprehensive management mechanism and unification of maritime affairs. Reviewing, adjusting, supplementing, and formulating new plans related to the sea to ensure coherence and consistency among various sectors and localities. (2) Developing high-quality human resources for the maritime sector, promoting innovation, creativity, utilizing advanced scientific and

technological achievements, attracting leading experts, scientists, and high-quality human resources. (3) Developing a multi-objective, integrated infrastructure system, a transportation network connecting major economic centers across the country, industrial zones, urban areas, coastal regions with seaports, based on the economic and natural ecosystem, connecting strategically from North to South, East to West, between regions within the country and internationally.

Effectively implementing the Party's directives and measures in the development of the maritime economy to exploit the potential and advantages of the sea, while enhancing steadfast protection of maritime sovereignty, islands, and establishing strong linkages between economic activities in the maritime sectors and national defense and security, contributing to the establishment of a unified entity across the country and in various localities, especially promoting economic development in coastal areas coupled with safeguarding the nation's skies and seas.

In the course of promoting industrialization and modernization of the country, along with the emphasis on innovation and openness, the maritime economic sectors tightly linked to national defense and security have undergone consistent strengthening and significant transformations. The maritime economy has experienced changes in its sectoral structure towards industrialization and modernization. Numerous maritime economic sectors have emerged, integrating modern technology and engineering, such as offshore oil exploitation, shipbuilding industry, offshore fishing, maritime transportation, coastal and island tourism, as well as search and rescue operations. The exploitation of marine resources has made a substantial contribution to the nation's development, especially in terms of exports (oil, seafood, etc.). In 2018, the proportion of maritime-related economic sectors accounted for 48% of the national GDP<sup>1</sup>.

Overall, transitioning from an agrarian-based economy with about 90% of the workforce engaged in agriculture, after more than 35 years of Renovation (Doi Moi), the Vietnamese economy has undergone a positive shift towards industrialization and modernization, achieving significant accomplishments. These achievements include sustained economic growth, reduced unemployment rates, and controlled inflation within permissible limits. Contributing to these successes is the result of the economic structural transformation process aimed at effectively harnessing society's key resources.

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<sup>1</sup> The National Center for Socioeconomic Information and Forecast (6/2018) assesses in an overall manner that the development of Vietnam's maritime and island economy still falls short of its available conditions and advantages. According to estimates, the scale of the maritime and coastal economy in Vietnam on average accounts for about 47 - 48% of the national GDP, of which the GDP of the "pure maritime" economy reaches approximately 20 - 22% of the total national GDP (Source: [https://mof.gov.vn/webcenter/portal/btcvn/pages\\_r/1/tin-bo-tai-chinh?dDocName=UCMTMP125226](https://mof.gov.vn/webcenter/portal/btcvn/pages_r/1/tin-bo-tai-chinh?dDocName=UCMTMP125226)).

Continuing to implement Ho Chi Minh's viewpoints on economic structure for economic development, in the coming years, Vietnam needs to undertake the following solutions:

*Firstly*, it must be based on the realities of each locality, proactively overcoming difficulties, harnessing advantages and potentials, formulating appropriate strategies and solutions to efficiently shift the economic structure.

*Secondly*, during the leadership of the economic structural transformation, it is necessary to combine with constructing, consolidating, and progressively perfecting new production relations.

*Thirdly*, it is essential to promote self-reliance, self-strengthening, creativity, and mobilize the people's strength, relying on the people to carry out the economic structural transformation towards modernization.

*Fourthly*, the economic structural transformation must harmoniously integrate with effectively addressing social issues and safeguarding the ecological environment, ensuring rapid and sustainable development.

*Fifthly*, attention should be paid to building the Party, developing a strong cadre team to meet the demands of the new period, correctly identifying the guidelines and measures, effectively planning and directing the implementation of the economic structural transformation.

## **CONCLUSION**

The viewpoints on economic restructuring during the Transitional period towards socialism by President Ho Chi Minh serve as a true guiding compass for the entire Party and people in nation-building and development. In today's context, as the country undergoes reforms and strengthens international integration, new policies and economic orientations must be more flexible, effective, and comprehensive. While these economic rules may not be explicitly found in the economic ideology of Ho Chi Minh, we can certainly draw upon these economic arguments of his to foster a more innovative and fitting development that aligns with the historical and economic conditions of Vietnam in the ensuing decades of the 21st century.

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